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THE
MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW.

EDITED BY
WILLIAM B. DANA.

VOLUME FIFTY-FOUR,
FROM JANUARY TO JUNE, INCLUSIVE, 1866.

New York :
WILLIAM B. DANA, PUBLISHER AND PROPRIETOR.
NO. 60 WILLIAM STREET.
1866.



ALPHABETICAL INDEX

TO SUBJECTS CONTAINED IN THE

MERCHANTS' MAGAZINE & COMMERCIAL REVIEW.

VOLUME LIV.

FROM JANUARY TO JUNE, BOTH INCLUSIVE.

EDITED BY WILLIAM B. DANA.

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Sam Wallbridge

THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

JANUARY, 1866.

HIRAM WALBRIDGE.

The career of General Walbridge affords a bright example of the influence of American institutions in developing character. Endowed with a genial temper, rare tact and energy, he has added to it indomitable purpose, patience of labor, and accurate knowledge of men. As a result he has attained wealth, social position, and a national reputation to which he can refer with honorable pride. The obstacles which he has surmounted would have discouraged others; and he has displayed talent as a statesman, sagacity and probity as a man of business which do him the highest credit. He is, perhaps, one of the best examples of the Young America school now on the stage of active life.

Walbridge is of a New England family, but was born at Ithaca, New York, February 2, 1821. His ancestor, General Walbridge, fought at the battle of Bennington. Early in life his father moved with his family to Ohio, where he spent his boyhood. In 1839 he became a student at the Ohio University; but his career at that institution was soon finished. Having become warmly attached to General Harrison, then a candidate for the Presidency, at whose house he had been a frequent and welcome guest, and though a Democrat in his proclivities, and but nineteen years old, he, with his usual earnestness, espoused the cause of the hero of Tippecanoe. Being invited to make a speech at a political gathering, and not obtaining leave to attend, took it for himself. While addressing the audience with great earnestness, word came to him that he had been expelled for his disobedience. This, however, did not move him, but he finished his remarks, had an ovation, packed his trunk, returned home, and afterward finished his education at another college.

He took up his residence at Toledo, where he was speedily elected an alderman. In 1844 he received, from Governor Bartley, the commission of Brigadier-General of the 18th division of the Militia of Ohio. Entering upon the political canvass in support of Mr. Polk, he became one of the most popular young orators of Ohio. He was offered the position of Colonel during the war with Mexico, but declined it, having resolved

to make New York his future home. Here he engaged in business with extraordinary success ; never losing his interest in public affairs. The establishment of a republic in France, and the heroic struggle of the Hungarians awoke his liveliest sympathies. In 1851 he visited Europe making the acquaintance of the leading statesmen and men of science. On his return home he was elected to Congress. He soon afterward visited California, making himself familiar with its situation, and returned in time to take his seat in Congress. His official career was a successful one. Every measure to promote commerce and national integrity received his strongest support. He opposed the protection policy in all its forms, and the following resolutions were proposed by him in relation to our maritime rights :

“ Resolved by the Senate and House of Representatives of the United States of America, in Congress assembled : That the United States, as a maritime power, having neutral rights to maintain, deem it proper in view of the existing war in Europe, to declare and make known that every American vessel engaged in the lawful pursuits of commerce is held by this Government to be protected by the flag which covers her, and which shall be the evidence of her neutrality ; that we attach to all such vessels a character of sovereignty, considering them as clothed with immunities corresponding with those appertaining to our territory ; that our rights, as thus declared, rest upon no precarious or temporary basis, nor upon the concession of any power, but upon public law as insisted upon from the early history of the Republic ; and that any attempt to enforce an obsolete right of impressment, secret detention, or irritation in regard to such American ship will be regarded as an act of hostility to the United States, and just cause of war.

“ Be it further Resolved, That as the existing conflict in Europe may lead to the change of political sovereignty in others, we deem it proper for Congress to make known to them that we affirm the doctrine that we should consider any attempt on their part to extend their system of Government to any part of this hemisphere as dangerous to our peace and safety ; and from the geographical and commercial position of the Island of Cuba to this continent, we will never consent to her sovereignty being transferred except to the United States, to which she seems naturally to belong.”

The adoption of this policy by our Government would have obviated the unfortunate affair of the San Jacinto. The express declaration by Congress of our mercantile rights at the time when England and France were engaged in a conflict with Russia would have been a favorable moment to prescribe an American policy commensurate with our power, and in conformity with the position which we expect to occupy as a nation abroad.

Actuated by his strong professions in favor of popular sovereignty, General Walbridge arrayed himself with the friends of Judge Douglas, and continued while that statesman remained in public life, to sustain his principles and policy. After his death General Walbridge, in a speech, paid him the following tribute :

“ One sentiment always controlled the actions of Mr. Douglas. His love for the Union was a passion. He had paid a visit to the hermitage during his earlier Congressional course, and received from the venerable Jackson his acknowledgement and benediction. The old hero predicted for him a glorious career. Indeed, the same idea which Jackson had once enunciated pervaded the whole mind of Douglas : “ The Union must and shall be preserved.”

“ Queen Mary of England declared that when she was dead the name of Calais would be written on her heart. Jackson might have also affirmed that in his heart was inscribed the purpose to maintain the American Union. That purpose he had bequeathed with his blessing to Stephen A. Douglas, by whom most nobly it was

maintained. We all remember the story of Bruce who, when he died, committed his heart to the brave James Douglas to convey to the Holy Land. The chief took the sacred charge and set out for the holy sepulchre. Arriving in Spain he was persuaded to delay his journey and aid King Alfonso in a battle against the Moors. For a season the claymore swept its way murderously among the Infidel hosts; presently their commander massed a troop of men and hurled them against the adventurous Scot. Douglas was surrounded, and found himself in mortal peril. Instantly taking from his bosom the silver case which enclosed his sacred charge, he hurled it into the midst of the Paynien host, shouting, '*Lead on, brave Heart, where thou wast wont, and Douglas will follow!*' Then cutting through the ranks of the enemy, he made his way to the heart of the Bruce, and fell, expiring upon it.

"Our Douglas had been entrusted with the purpose engraven on the heart of Jackson, devotion to the Union. He bore it, if not to the field of battle, certainly to the place where mighty men did violence to the Constitution of the nation. He was its champion while they were perpetrating the sacrilege. As his life ebbed away, he, with his dying breath, shouted out, like his immortal namesake, 'I will follow,' and in the very act of defending the Union against the assaults of traitors, died full of glory."

At the close of the first session in 1854, the Democrats of his district offered General Walbridge a nomination which he was compelled to decline. When he first took office he withdrew from business, and entrusted his property to a friend. On his return from Washington he found it sunk. He was not the man to be disheartened; his immense vitality would not suffer him to despond. He resumed business at once, and before long was more prosperous than ever.

The next important public measure proposed by the General was the celebrated one of the "Militia of the Seas." He first suggested this in a speech at Tammany Hall, on the 21st of August, 1856. It was copied with approbation by journals of every shade of public sentiment all over the country. An edition was subsequently published and widely circulated. After discussing the condition of the different countries of Europe he described the tonnage of the United States and its inadequate protection. He then explained his proposed mode of reorganizing the navy to meet the exigency—a plan which, if adopted, would have utterly prevented the destruction of our commerce by European privateers during the late rebellion, and abridged the duration of the contest. He said:

"Suggestions that seek to make radical changes should always be advanced with hesitation and distrust; yet all great improvements in government has heretofore sprung from the experience of the people themselves, who are usually in advance of their rulers in whatever most concerns their own prosperity and welfare. The general government should hold out some inducements to our great commercial mariner to aid in protecting itself. Under the sanction of law, with ample guards and restrictions, there should be organized a Militia Navy, an arm of defense corresponding to that employed by the government in the land service, under our enrolled militia system, by which shipowners should receive encouragement and aid by law in construction of their vessels, so as to make them capable of bearing guns if required in the service of their country. The captains and subordinate officers should be commissioned in the name of the General Government, upon some equitable plan that will give them rank and emolument in proportion to the demands upon their time and service in the new capacity of representing the naval power of the Union. The humblest youth who enters as a cabin-boy, or in the lowest capacity as a seaman, should be educated and trained in his honorable though adventurous and dangerous profession. That not only in the navy proper but in this new service, the naval powers of the Union will be represented.

"Our noble empire State, second to none but foremost of all, this great commercial emporium, the seat of energy, enterprise, and commercial power, are felt and acknowledged throughout the world, have a right to be heard upon this as upon all

questions affecting the trade and prosperity of the Union. New York demands the recognition and absolute immunity from such a detention of our flag upon the high seas; that her commerce and expanding trade should be left unshackled by unwise restraints of legislation; and then, with her resources in every department of industry, in agriculture, in manufactures, in commerce, and trade, she will vindicate her pre-eminence and power in the great family circle of free and independent States that constitute our national Union."

During the recent civil war General Walbridge, though a Democrat, was signally efficient in his suggestions and efforts to uphold the national authority. His plan was to put the country on a war footing for not less than three years and an enrollment of 600,000 men, of whom one half the number should be kept in the field. This would place the struggle beyond the risk of failure, and be an economy in money, economy to the industry of the country, diminish the effusion of blood, exalt our policy, and give to our republican institutions a controlling influence upon the continent. In May, 1861, he addressed a series of letters to President Lincoln and to the Governor of the several States. At the time no General seems to have been in favor of raising more than 300,000 men. His influence procured the acceptance of ten regiments from Massachusetts and a battery of artillery at a period when there appeared to be a general apprehension that too many soldiers would be put in the field. He received public thanks for those services, and the position of Brigadier General of Volunteers was formally tendered him by Secretary Cameron, which was respectfully declined, although General Walbridge intimated that at a future day he would be ready to enter the service. He also addressed a letter to Mr. Lincoln suggesting the occupation of Port Royal as a place of rendezvous for 200,000 men, to which he received the following reply:

WASHINGTON, November 18, 1861.

General HIRAM WALBRIDGE:

DEAR SIR,—Your note reminding me of the fact that as early as April last, you pointed out to me on the map Port Royal and Beaufort as advantageous places to make lodgments on the Southern coast, is received. I am free to confess that you were the first who called my attention to that particular locality. I also remember that you insisted that we should call six hundred thousand men into the field a considerable time before I had brought my own mind up to anything near so large a scale.

Yours truly,

A. LINCOLN.

During the Summer and Autumn of 1862, General Walbridge continued to speak and labor for the vigorous promotion of the war. On the 4th of July, when the time was darkest, he addressed an audience at the Cooper Institute declaring that this great metropolis continued its adherence to Constitutional Government, and stood by those who would never abandon the Government till after quelling treason at home, they could present themselves as a great, powerful and united nation, capable of commanding and enforcing respect every where.

On the 14th of the same month a meeting of some fifty thousand persons was held on Union Square, at which he maintained the establishment of an internal line of water communication along the Atlantic coast by connecting the waters of the Roanoke and Chesapeake Bay with

those of the East terminus of Long Island, which could rapidly be effected by deepening less than fifty miles of internal canal navigation. The effect of this plan would be to give us an internal line of water communication free from the storms of the coast and abundantly capable for the transit of our gunboats and commercial marine in the contingency of foreign war without exposure to assailants on the Atlantic.

On the 30th he spoke at the Produce Exchange. His mode of reasoning was peculiar. He considered the staples of the two geographical divisions of the country and their relative importance. The South supplied no indispensable article, while the North furnished everything. "Gentlemen," said he, "there may be substitutes for clothing. There can be none for food. The table must be laid day by day. To surrender clothing is an inconvenience; to surrender food would be inevitable death."

Thus did General Walbridge give his heart and time to his country. He made journeys to the different States, spoke in the great cities, carried on an extensive correspondence with the Governors and leading men of the country. Nor did he relax his efforts till victory had perched finally upon the banners of the Republic.

His last speech during the war was at the city of Albany in January last. Invited by Hon. Samuel C. Reid, Chairman of the Committee on Federal Relations of the Assembly, he delivered an address before the committee and citizens of Albany upon the proposed amendment to the Constitution, abolishing slavery. Governor Fenton, his old associate in Congress, presided and introduced him. For more than an hour he retained the attention of the audience while showing the importance of the movement. "Though the rebellion is not yet terminated," said he, "enough has already happened to assure us that a single nation is to exercise jurisdiction over all the territory formerly embraced within the limits of the United States; and that here a homogeneous people, under republican institutions, recognizing universal freedom and individual political equality, will continue to furnish an asylum to the oppressed of the whole earth, and that here, under one nationality, the civilization of our race will secure its highest development."

Except his brief aldermanic career, and one term in Congress, General Walbridge has never held office. In 1862 he was an independent candidate for Congress against Benjamin Wood, the person nominated by Tamany Hall; and at one time Mr Lincoln contemplated inviting him to a seat in the Cabinet. But his services were employed instead in a private capacity, and it may well be supposed, when we consider his signal efficiency, whether he did not render the country more important service than could have been the case at the head of a department. As a commoner he could speak, as he did so often and eloquently, for the men of the nation; whereas, otherwise, as a minister, he must have been, to a great degree, the mouthpiece of others.

While paying attention to the career of General Walbridge as a patriotic citizen, we would not lose sight of him as a merchant. In 1859 the firm of Walbridge & Company, corn and commission dealers, opened at No. 29 Broadway. Its business speedily ramified through the entire West, assuming extensive dimensions. Some years since the establishment was

removed to the corner of Whitehall and Bridge streets, where it now remains.

General Walbridge has found time, amid his multifarious business, to take an active part in the question of internal improvements. In 1863 he visited Albany to impress upon the members of the Legislature the importance of enlarging the locks of the Erie Canal. He also addressed the Members of the Produce Exchange and other commercial associations on the subject; predicting that if New York did not make the necessary provisions, Canada would. The result was a great excitement on the subject; a Convention assembled at Chicago, June 2d, 1863, over which a Vice-President presided. General Walbridge being invited to speak made an address in favor of enlarging the canals between the Atlantic and Mississippi River. This would, he said, guarantee general prosperity and peace.

After the final adjournment the New York delegates visited St. Louis, where they were honored with a public reception. The speech of welcome was made by the Hon. Henry T. Blair, and the answer by General Walbridge, Mr. King, Hon. Samuel B. Ruggles, Hon. Chauncey M. Depew, and others. The excursion was continued into Minnesota, the party being feted all the way.

In May, 1865, the Board of Trade, in the city of Detroit, resolved to invite the commercial men of the principal cities and towns of the United States and the British American Provinces to hold a Convention in July, 1865. To this invitation there was a general response; the principal public journals also took the matter in hand and gave it a careful discussion. Gen. Walbridge, about the same time, made a tour of the West and was received more like a public personage than a private citizen engaged with his own affairs. He spoke at Buffalo, Chicago, St. Louis, and other places upon the topics of commerce, finance, and transit, commending their fullest consideration at the Detroit gathering. Remarkable as it may appear, his views were looked for as carefully as those of a public officer on the affairs of the nation; his sagacity as a merchant and ability as a statesman conduced to this distinction.

The International Commercial Convention assembled at Detroit on the 11th day of July, 1865. Above four hundred delegates were present, representing every shade of sentiment politically and commercially. General Walbridge was chosen to preside. His speech, on assuming the chair, took the broadest catholic ground.

I rejoice, said he, that now the rebellion is over the business men of the country have come forward to exercise their legitimate influence. It is their imperative duty to secure and extend, so far as they may, not only to our country, but to the whole world, the blessings of the power so obtained—so conquered. I am gratified that this convention has brought together, not only the representatives of commerce in the United States, but such influential delegates as I see before me from the British Provinces of North America; and I trust the event will bring them and us into still closer relations, and that the deliberations may eventuate in a re-union of the treaty which shall be just to them, and not inconsistent with the honor and interest of the United States. If from this commercial gathering there shall spring up a pure, friendly relation I shall rejoice at it, and, perhaps, suggest that our American system of government admits of indefinite extension; so that if hereafter, they shall see fit, under the providence of God, to ask closer association, we cannot help but accept the

proposal with pleasure. It will help us discharge the obligations that we have incurred, and be a reciprocity to them in the truest sense of the term.

To the parliamentary experience of their president the Convention was indebted in a great measure for the prompt accomplishment of business. He was energetic and fair in his decisions, and always clear and ready to determine every proposition. The proceedings are already known to our readers, and there is no necessity for us to allude further to them. There was much that was wisely done, and much of which we cannot express so favorable an opinion. But time and events always correct such matters. At the conclusion, the usual complimentary resolutions were adopted, to which General Walbridge gracefully and eloquently responded :

"The city of New York," he said, in conclusion, "recognises no East, no West, no North, no South ; she recognizes only one common country, and stretches out her hands to Buffalo, Detroit, Milwaukee, Chicago, St. Louis, and St. Paul, and while extending greetings to them, urges them to press on that great enterprise, the completion of the Pacific Railroad, which is destined by its iron bands to draw into fraternal relationship the great communities that line the shores of the Pacific as well as those which are on the eastern slope of the Alleghanies. * * * If the result of the deliberations of this Convention shall be the formation of a just and proper treaty with our neighbors of the North, while it shall be consistent with our interests, I trust that it will not be inconsistent with the interests of those with whom negotiations are made. Thus just and generous are the people of the United States."

Imperfect as this sketch necessarily is, enough has been given to show the genius of the man. He is, perhaps, one of the best instances of American versatility now living. He would have made a good lawyer, but could never consent to be a pettifogger ; he would aspire to be a statesman, but would refuse to be a mere politician ; he is a merchant, but would not readily consent to transact the petty details of an insignificant business. He loves to plan on a large scale, to do things boldly, and he would rage in inactivity. He is jealous of his honor, and despises meanness. Possessing a large social nature, liberal, ambitious of honorable distinction, he is an earnest friend, a genial companion, and a public-spirited citizen, and active in every enterprise which he undertakes. He is in the prime of life, and, if spared, will yet occupy a prominent place in our country, having already succeeded in indentifying himself closely with its history.

FINANCES OF THE CITY OF CINCINNATI.

The following (from the Report of the City Auditor) is a detailed exhibit of the funded debt of the city of Cincinnati as it existed on the 28th of February, 1865 :

Description of Loans.	Amount outstand'g.	Rate.	Interest— Payable.	Principal payable.
Funding Loan (1845)*.....	\$100,000	5	April & Oct. 1.	Oct. 1, 1871.
" (1835).....	80,000	5	May & Nov. 1.	Nov. 1, 1885.
" (1842-43)*.....	20,000	5	"	May 1, 1865.
Little Miami R.R. Loan (1844)†.....	100,000	6	June & Dec. 31.	Dec. 31, 1885.
Whitewater Canal Subscription (1839 and '41)....	320,000	6	May & Nov. 1.	May 1, 1865.
Whitewater Canal Loan (1847).....	38,000	6	"	" 1897.
Funding Loan (1847)†.....	150,000	6	"	" 1897.
Hillsboro and Cinc. R.R. Loan (1850).....	100,000	6	Feb. & Aug. 1.	Aug. 1, 1880.
Eaton and Ham. R.R. Loan (1850).....	150,000	6	Jan. & July 1.	Jan. 1, 1881.
Covington and Lexington R.R. Loan (1851).....	100,000	6	"	"
City Hall Loan (1850).....	60,000	6	May & Nov. 1.	May 1, 1870.
Ohio and Miss. R.R. Loan (1853).....	670,000	6	Jan. & July 1.	Jan. 1, 1882.
Funding Loan (1853).....	83,000	6	"	" 1790.
Marietta and Cin. Loan (1854).....	133,000	6	June & Dec. 1.	June 1, 1884.
Wharf Loan (1855).....	216,000	6	May & Nov. 1.	Nov. 1, 1885.
" ".....	250,000	6	"	" 1890.
Orphan Asylum Loan (1858)*.....	45,000	6	March & Sep. 17.	Mar'h 17, 1898
" ".....	100,000	6	"	" 1908
Epis. Bury'g Ground Loan (1860)*.....	36,000	6	May & Nov. 1.	Nov. 4, 1890.
Water Bonds (Land and Building) of 1839†.....	278,000	6	June & Dec. 15.	June 15, 1865.
Water Bonds (Extension) of 1847.....	199,000	6	April & Oct. 15.	April 15, 1895.
" (Improv'nt) of 1848.....	100,000	6	"	"
" " of 1850.....	100,000	6	"	"
" (Extension) of 1851.....	100,000	6	"	Oct. 15, 1890.
" " of 1853.....	75,000	6	June & Dec. 15.	June 15, 1900.
School Bonds of 1834.....	40,000	5	May & Nov. 1.	Nov. 1, 1885.
" of 1843†.....	8,000	6	"	May 1, 1865.
" of 1837.....	25,000	6	"	" 1885.
" of 1859.....	99,000	6	Jan. & July 1.	Jan. 1, 1890.
Bounty Bonds.....	100,000	6	Jan. & July 27.	July 27, 1876.
" ".....	100,000	6	"	" 1872.
Total.....	\$3,840,000			

The denominations marked (*) are payable at the Treasury in Cincinnati, and thus (†) at the Bank of North America in Philadelphia. All others are payable at the Bank of America, in New York City.

Against the above debts the city owns property to the value of \$6,935,184. The water works cost in bonds \$275,000, and other city improvements \$1,634,000. The several markets, landings, and the wharf property purchased of the Ohio and Mississippi Railroad Company are estimated at \$2,000,000. The remainder is made up of the cost and value of school houses, engine houses, and other property belonging to the municipality.

The city also owns sundry amounts of railroad and canal stocks and bonds, with dues from companies for interest paid for them, and a multiplicity of claims against property and persons, in all amounting to \$1,938,085 11. Most of the stocks and bonds held pay dividends and interest, which secures the city on its subscriptions and loans to them.

The sinking fund amounted on the 1st of March, 1864, to \$465,370 89, and during the year ending Feb. 28, 1865, received 211,085 05—making its resources for the year \$676,455 94. The payments for the year amounted to \$135,000, leaving a balance March 1, 1865, of \$541,455 94.

The interest fund on the 1st of March, 1864, was \$39,854 75, and its receipts during the year were \$221,389 59, viz., from taxes for 1863, \$137,812 29; taxes for 1864, \$67,000, and other sources \$16,577 30—

making its total resources \$261,244 34. From this amount there was paid for interest \$223,856 34, leaving in hand \$37,388.

The following table exhibits the valuation of property and the rate and amount of taxes for the past ten years :

Fiscal years.	Assessed Valuation			Taxation.	
	Real Estate.	Pers'l Prop.	Total.	Rate.	Amount.
1855.....	\$60,345,932	\$24,994,948	\$85,330,880	1.48	\$1,262,897
1856.....	60,701,267	20,795,203	81,496,460	1.25	1,116,927
1857.....	61,340,971	25,104,120	86,445,091	1.50	1,296,676
1858.....	62,681,602	26 051,151	88,732,753	1.66	1,472,963
1859.....	63,746,816	29,292,788	93,039,104	1.64	1,584,110
1860.....	61,428,917	30,532,458	91,961,375	1.745	1,666,281
1861.....	62,077,837	30,313,411	93,391,248	1.92	1,833,954
1862.....	63,503,296	29,707,861	93,211,157	1.766	1,709,824
1863.....	64,441,532	35,93 561	100,374,093	1.82	1,878,847
1864.....	65,385,774	49,809,574	115,195,348	2.02	2,339,765

The population, the receipts and expenditures, and the amount of debt for the fiscal years ending Feb. 28, are shown in the following table :

Fiscal years.	Population of city.	Receipts.			Municipal expenditures.	Amount of debt.
		Taxes.	Other.	Total.		
1856.....	210,000	\$712,478	\$166,853	\$879,331	\$584,202	\$3,445,000
18 7.....	215,000	671,911	129,892	701,803	588,936	3,719,000
1858.....	225,000	865,405	181,719	1,047,124	575,291	3,719,000
1859.....	230,000	1,018,218	203,926	1,222,144	743,257	3,769,000
1860.....	250,000	998,621	168,266	1,166,887	754,560	3,752,000
1861.....	175,000	1,098,100	169,742	1,267,842	830,200	3,782,000
1862.....	180,000	1,130,045	140,492	1,270,537	779,338	3,820,000
1863.....	180,000	1,056,697	214,130	1,270,827	714,730	3,748,000
1864.....	180,000	991,776	218,975	1,210,751	824,775	3,754,000
1865.....	200,000	938,806	432,915	1,371,221	1,221,954	3,840,000

The following shows the receipts and expenditures in more detail for the year 1864-65 :

	Balance Mar 1, 1864.	Receipts 1864-65.	Total resources.	Municipal expend're.
General fund.....	\$51,164	\$411,872	\$463,036	\$386,554
Watch fund.....	10,324	182,248	192,572	173,600
Interest fund.....	89,855	225,389	265,244	223,856
Superior Court fund.....	10,074	7,116	17,190	7,572
Fire Department fund.....	11,998	144,802	156,800	136,428
Light fund.....	2,107	86,858	88,965	88,821
Mc Vicken fund.....	11,919	19,903	31,822	27,412
Fuel fund.....	.....	51,500	51,500	50,900
Revenue fund.....	.....	3,213	3,213	865
Workhouse fund.....	824	.....	824	.....
Hospital fund.....	94	.....	94	94
Peet-house fund.....	251	.....	251	251
Sinking fund.....	465,371	211,085	676,456	65,000
Bounty fund... ..	.....	223,313	223,313	181,100
Total.....		\$1,578,368	\$2,171,281	\$1,337,454
Transfers		207,147	207,147	115,500
Net resources.....		\$1,371,221	\$1,964,134	\$1,221,954

* Loan account \$90,000, and fuel loan account \$25,500.

SCHOOL FUNDS.

The school funds are not included in the above statements. The following shows the receipts and expenditures on account of schools for the year ending Feb. 28, 1865:

	Common.	Colored.	Total.
Balance March 1, 1864.....	\$50,203 42	\$2 679 62	\$52,883 04
Taxes for 1863.....	109,390 06	10,297 61	119,687 67
Taxes for 1864, on account.....	80,000 00	.....	80,000 00
All other resources.....	11,068 15	.....	11,068 15
Total resources.....	\$331,661 63	\$12,977 23	\$344,638 86
Warrants redeemed.....	265,285 04	9,885 08	275,170 07
Balance Feb. 28, 1865.....	\$66,376 59	\$3,092 20	\$69,468 79

The tax levy, State and County, for these schools was 1.7 mills on the

dollar, and the tax amounted to \$339,267 50, of which \$322,419 07 was for the common schools, and \$16,848 41 for the colored schools. Up to Feb. 28, 1865, only \$80,000 had been received into the treasury, leaving \$259,267 50 due. The school year, however, terminates on the 30th of June.

The receipts and expenses on school account for the ten years last past were as follows:

	Receipts.	Expenses.		Receipts.	Expenses.
1856.....	\$274,703 48	\$218,438 20	1861.....	\$278,632 88	\$241,418 26
1857.....	266,979 66	214,545 14	1862.....	267,940 11	234,727 83
1858.....	239,572 58	188,474 27	1863.....	238,406 77	169,990 49
1859.....	220,227 18	267,033 00	1864.....	328,265 63	208,051 37
1860.....	232,134 37	191,718 95	1865.....	344,636 86	273,865 65

WATER WORKS.

The city water works are administered by a special board. Their cost to the city, as before stated, was \$875,000 in bonds. They furnished on the average, in 1864-65, 5,185,903 gallons of water per diem. The income from water rents, etc., was \$184,051, and the expenditures \$78,036, leaving a balance of \$106,015, which pays the interest on the water debt, and leaves something towards the final extinction of the water bonds. For each 1,000 gallons the revenue is 9 5-8 cents, and the cost to the city 4 1-8 cents, leaving a profit of 5 1-2 cents. The pumping is done by steam power.

Compared with the water works of other cities the results are as follows:

Cities.	Consumption per diem, gallons.	Annual revenue.	Annual expenses.	Length of mains, miles.	Power used.
Albany.....	6,000,000	\$91,532	\$24,431	..	Gravity.
Baltimore.....	8,000,000	201,829	26,810	..	do
Boston.....	16,238,500	394,506	82,932	136	do
Buffalo.....	3,781,186	79,950	87,181	..	Steam.
Brooklyn.....	6,773,825	362,749	72,201	171	do
Chicago.....	6,074,739	224,902	86,638	132	do
Cincinnati.....	5,185,903	184,051	78,036	94	do
Cleveland.....	1,152,851	83,657	15,794	..	do
Detroit.....	3,120,725	69,889	16,974	..	do
Hartford.....	1,543,723	87,410	83,772	..	do
Jersey City.....	2,552,586	99,923	49,158	..	do
Louisville.....	1,250,000	82,418	16,560	..	do
New York.....	52,000,000	938,862	.....	295	Gravity.
Philadelphia.....	20,729,985	551,000	79,154	364	W. & S.
Pittsburg.....	5,859,660	74,686	32,213	..	do
Troy.....	.....	20,782	10,539	..	Gravity.
St. Louis.....	7,000,000	170,818	48,590	..	Steam.

ANALYSES OF RAILROAD REPORTS. NO. 4.

8.—CINCINNATI, HAMILTON, AND DAYTON RAILROAD.

THE Cincinnati, Hamilton and Dayton Railroad extends in a very direct line from Cincinnati on the Ohio River, via Hamilton to Dayton—with a double track throughout—a distance of about 60 miles. The company has also constructed a separate track for the use of the Atlantic and Great Western Railway Company, at a cost of a million dollars. Though a short road it is among the most important in the American system, being one of the main avenues into Cincinnati from the North, receiving at its northern terminus, and also at Hamilton, several important lines which it continues into the city.

This road occupies a very favorable position, passing as it does through

a country thickly populated, with cities of great importance at its termini and also on its line. Out of the fourteen years of its existence there have been only two years in which no dividend was distributed, and in those the necessary amount was earned, but withheld to pay off debts then due. In all, twenty dividends have been paid, amounting to 88 per cent on the shares in existence at the time of payment, and also a stock dividend of twenty per cent. This success is not due alone to its position, but much, of course, is the result of good management.

The reports of the company are less explicit than they ought to be in relation to the business of the road. The number of passengers, however, has been given yearly, also some account of the number of engines, and the mileage made by them. The number of passengers carried on the road, and the earnings therefrom, for the past 13 years have been as follows :

Years.	Number.	Earnings.	Years.	Number.	Earnings.
1852-53.....	236,828	\$191,700 98	1859-60.....	357,700	\$286,468 43
1853-54.....	342,954	274,650 39	1860-61.....	479,987	275,463 70
1854-55.....	370,189	259,915 35	1861-62.....	358,992	272,117 30
1855-56.....	352,457	236 663 12	1862-63.....	441,250	345,893 39
1856-57.....	362 630	231,571 54	1863-64.....	527,451	457,162 85
1857-58.....	470,931	243,438 48	and—		
1858-59.....	339 272	223,505 29	1864-65.....	542,539	614 944 53

The reports are too irregular in their freight returns to make them of any statistical value. The average tonnage for the last ten years has been about 250,000 tons, ranging from 225,000 to 275,000 tons per annum. The earnings from freight for each year since the completion of the road are given in a subsequent table.

The *financial condition* of the company, as exhibited on the balance-sheet at the close of each fiscal year, is shown in the following statement :

Fiscal years.	Share capital.	Bonded debt.	Other debt & liabil's.	Surplus, reserve, &c.	Total amounts.
1851-52.....	\$1,463,825	\$583,000	\$78,649	\$33,736	\$2,158,710
1852-53.....	1,694,000	906,000	347,219	42,472	2 989,691
1853-54.....	2,100,000	862,000	415,949	156,355	3,534,304
1854-55.....	2,100,000	965,000	624,834	171,275	3,861,109
1855-56.....	2,153,900	1,011,000	481,041	180,370	3,726,311
1856-57.....	2,155,800	1,433,000	275,662	196,651	4,060,453
1857-58.....	2,155,800	1,427,000	157,706	232,140	3,972,706
1858-59.....	2,155,800	1,411,000	88,910	..	3,655,710
1859-60.....	2,155,800	1,391,000	123,894	87,505	3,758,499
1860-61.....	2,155,800	1,356,000	85,098	111,404	3,708,302
1861-62.....	2,155 800	1,344,000	137,595	181,339	3,518,734
1862-63.....	2,155,800	1,334,000	254,663	243,724	3,988,192
1863-64.....	2,399,500	1,630,000	482,248	384,517	4,916,265
1864-65.....	3,000,000	1,628 000	475,663	498,133	5,601,796

Against the above are charged the following :

Fiscal years.	Property and Assets						
	Road.	Equipments.	Real estate.	Stocks, etc.	Steam-boats.	Other.	Cash.
1851-52.....	\$.....*	\$.....*	\$.....*	\$.....*	\$.....*	\$.....*	\$33,736
1852-53.....	1,975,178	310,147	222,686	83,330	32,427	323,451	42,472
1853-54.....	2,293,237	444,127	254,564	254,884	.....	216,713	180,789
1854-55.....	2,414,489	577,633	213,488	303,987	100,000	122,787	123,737
1855-56.....	2,470,125	577,633	228,434	332,500	52,070	103,147	72,402
1856-57.....	2,624,443	505,872	244,199	304,000	81,218	97,121	164,250
1857-58.....	2,643,296	506,292	263,451	302,076	81,218	143,765	26,608
1858-59.....	2,643,296	504,892	300,199	23,747	.....	123,034	79,542
1859-60.....	2,648,296	504,892	266,357	41,547	.....	133,171	164,218
1860-61.....	2,643,296	504,892	266,189	63,747	.....	100,371	119,897
1861-62.....	2,648,296	504,892	270,431	79,947	.....	155,229	149,998
1862-63.....	2,643,296	481,083	285,581	91,947	.....	149,633	311,582
1863-64.....	3,364,949	499,086	303,860	138,147	.....	436,880	253,343
1864-65.....	3,897,229	593,209	344,551	176,090	.....	500,682	90,035

* Total property and assets, \$2,124,974.

The road account for 1863-64 included \$657,762, and for 1864-65,

\$1,010,989—the cost of the six-foot track for the accommodation of the Atlantic and Great Western Railway Company.

The following table shows the *earnings* and *expenses* of the road from its completion and opening, on the 30th September, 1851, to the close of the fiscal year 1864–65 :

Fiscal years	Gross Earnings				Operating expenses.	Net earnings.
	Passen-gers.	Freight.	Mails, etc.	Total.		
1851-52.....	\$74,427	\$21,511	\$1,246	\$97,214	\$35,182	\$62,032
1852-53.....	191,701	122,377	7,715	321,793	120,837	200,956
1853-54.....	274,650	176,141	12,229	463,021	187,207	275,814
1854-55.....	259,915	211,563	12,142	483,620	210,914	272,706
1855-56.....	230,568	221,698	13,620	471,886	193,873	278,013
1856-57.....	231,571	268,819	17,943	518,333	220,716	297,617
1857-58.....	243,438	225,114	18,869	487,421	226,658	260,763
1858-59.....	223,506	245,980	20,051	489,438	239,771	249,667
1859-60.....	236,468	297,888	27,380	561,681	289,566	272,115
1860-61.....	283,247	33,560	30,422	644,229	351,530	282,699
1861-62.....	272,117	298,290	75,798	646,205	316,491	329,714
1862-63.....	348,893	446,633	81,878	877,404	390,937	486,467
1863-64.....	457,163	526,758	99,407	1,083,328	554,507	528,821
1864-65.....	546,810	614,945	80,102	1,241,857	733,629	503,228

The *profit and loss* account for the same years is shown in the following table :

Fiscal years.	Earnings less expenses.	Disbursements			Total amount.	Surplus after divide's
		Taxes & insurance.	Int. on debt.	Dividends on stock.		
1851-52.....	\$62,032	\$.....	\$28,296	\$.....	\$28,296	\$33,736
1852-53.....	200,956	9,234	56,992	126,466	192,692	8,264
1853-54.....	276,814	14,469	46,207	207,350	268,026	7,788
1854-55.....	272,706	14,102	92,108	101,560	217,770	54,936
1855-56.....	278,013	13,717	108,217	101,560	223,494	54,519
1856-57.....	297,617	11,816	110,316	75,453	197,685	99,932
1857-58.....	260,763	13,102	104,322	.....	117,424	143,339
1858-59.....	249,667	5,315	99,627	.....	164,942	144,725
1859-60.....	272,115	10,958	97,900	150,906	259,764	12,351
1860-61.....	282,699	11,519	96,585	150,906	259,010	23,689
1861-62.....	329,714	13,706	95,031	161,685	270,598	59,116
1862-63.....	486,467	22,042	93,602	222,247	337,891	148,566
1863-64.....	528,821	33,130	93,380	239,964	366,474	162,347
1864-65.....	503,228	62,430	112,170	257,895	432,737	19,491

In the total of disbursements are included sundries not otherwise accounted for. In 1864-65 the large sum of \$51,242 is thus disposed of, the same being chiefly payments on account of damages from a collision.

The dividend paid in May, 1865, was the 20th since the road commenced operations. The rate per annum has been as follows :

Years.	No.	P. c.	Years.	No.	P. c.	Years.	No.	P. c.
1851-52.....	No. 1.....	4	1856-57.....	No. 7 & 8.....	7½	1861-62.....	No. 13 & 14.....	7½
1852-53.....	" 2.....	5	1857-58.....	.....	nil	1862-63.....	" 15 & 16.....	10
1853-54.....	No. 3 & 4.....	10	1858-59.....	.....	nil	1863-64.....	" 17 & 18.....	10
1854-55.....	No. 5.....	5	1859-60.....	No. 9 & 10.....	7	and—		
1855-56.....	" 6.....	5	1860-61.....	" 11 & 12.....	7	1864-65.....	" 19 & 20.....	10

And in 1864–65, there was also paid a stock dividend of 20 per cent in compensation for earnings loaned to the Dayton and Michigan Railroad Company.

The cost of the road and equipment *per mile* and the earnings, expenses and profits *per mile* as deduced from the foregoing are shown in the annexed table :

Fiscal Years.	Cost of Road.	Gross earn'gs.	Opera'g exp'ses.	Profits f'm earn'gs.	Exp'ses to earn'gs.	
1851-52.....	\$35,730	\$1,620	\$586	\$1,034	36.17	per cent.
1852-53.....	41,899	5,363	3,014	3,349	37.55	"
1853-54.....	39,366	7,717	3,190	4,597	40.43	"
1854-55.....	52,510	8,060	3,515	4,545	43.61	"
1855-56.....	53,603	7,864	3,231	4,633	47.44	"
1856-57.....	56,242	8,639	3,678	4,961	42.6	"
1857-58.....	56,960	8,124	3,777	4,347	46.43	"
1858-59.....	56,969	8,157	3,996	4,161	42.97	"

1859-60.....	56,999	9,861	4,826	4,535	57.55	per cent.
1860-61.....	56,989	10,787	5,859	4,878	45.57	"
1861-62.....	57,060	10,770	5,275	5,495	48.99	"
1862-63.....	68,582	14,623	6,515	8,108	44.55	"
1863-64.....	69,465	18,055	9,242	8,813	51.18	"
1864-65.....	78,749	20,697	12,310	8,887	59.47	"

The Cincinnati, Hamilton & Dayton Railroad shares are so seldom quoted or sold at the New York stock boards that we are unable to compile a table similar to those which have accompanied the reports of the roads we have previously analyzed. The stock of this company, however, is not with ordinary good management likely to fluctuate greatly as its actual value is well known.

The Cincinnati, Hamilton and Dayton Railroad Company was chartered by the Legislature of Ohio by an act passed March 2, 1846. The division south of Hamilton was put under contract in December, 1849, and the northern division in July, 1850. Construction of the southern division was commenced in March, 1850, but owing to the prevalence of cholera in the Little Miami Valley the work was suspended and not resumed until the following September.

The work was now prosecuted with redoubled vigor and every day resulted in progress; and so rapidly was the grading done and the track layers followed that by September 18, 1851, one year after resuming operations, the road was so far completed as to admit of a passenger train passing from Cincinnati to Dayton, and on the 30th of the same month the road was formally opened for travel. Before the close of the year regular freighting was also commenced.

The company have always had operating contracts with all the roads connecting with their own. A closer alliance, however, was found necessary to work the lines economically, and with this view a contract was concluded in 1860 between the Cincinnati, Hamilton and Dayton Company and the Little Miami, the Columbus and Xenia and the Dayton, Xenia and Belpre Companies for working their several roads on joint account for a period of twenty years. This contract became operative on the first of April of the same year, and has been an eminent success.

In 1863 the company assumed a lease in perpetuity of the Dayton and Michigan Railroad and equipment at an annual rental equal to the interest on a fraction less than \$22,000 per mile. The connection of the roads at Dayton is such as renders the leased road fairly a continuation of the road from Cincinnati. It extends from the fertile valley of the Big Miami, over one hundred and forty miles to Maumee Bay, on Lake Erie, making with the Cincinnati, Hamilton and Dayton Railroad a line of two hundred miles between Cincinnati and Toledo, a shorter route than any other existing between Cincinnati and the lake.

Presenting the best approach to Cincinnati from the north, the Cincinnati, Hamilton and Dayton road was adopted by the Atlantic and Great Western Company to continue their line from Dayton to Cincinnati where it connects with the Ohio and Mississippi Railroad. For this purpose this company laid down extra rails for a broad gauge road, and provided enlarged accommodations for the convenience of the Great Western Company's business. These improvements were completed at a cost of a million and a half of dollars, and brought into use in May, 1865. To meet expenditures of so large an amount the company sold

\$300,000 of its capital. The remainder of the means was chiefly derived from the sale of bonds received from the Dayton and Michigan Company in payment of coupons due the Cincinnati, Hamilton and Dayton Company under the lease of the road. In lieu of the proceeds of these the stock holders received a stock dividend of \$500,000. These improvements on the whole have added to the capital and debt account \$1,444,000, and about a quarter of a million has been taken from other resources of the company. This investment, however, is expected to so increase the business of the company as make sure of its securing an advantageous return to the company.

The total liabilities of the company, including its stock of \$300,000 and revenue balance applied on account of the Dayton and Michigan Company \$500,000, is now about \$5,600,000. The nett earnings of the road for the last few years have averaged \$200,000. This will pay.

Taxes and Insurance say.....	\$60,000
Interest on Debt and Liabilities, \$2,000,000	140,000
Dividend 10 per cent. on \$3,000,000 stock.....	300,000

and leave a surplus of \$20,000 to be added to the dividend fund.

It may fairly, however, be assumed that the Dayton and Michigan Railroad and the Atlantic and Great Western connection will increase the profits from operations materially and fortify the company for future development, or, if already at the end of its projects, yield additional dividends to the lucky holders of its stocks. The eventual reduction of the cost of labor and material will also afford the company a heavier nett on its business.

9.—NEW YORK CENTRAL RAILROAD.

The length of the main line of road between Albany and Buffalo is.....	297.73 miles.
The length of lateral and branch roads is as follows:	
Troy to Schenectady.....	21.00
Syracuse to Rochester, via Auburn.....	104.00
Batavia to Attica	11.00
Rochester to Suspension Bridge.....	74.75
Lockport Junction to Tonawanda.....	12.25
Rochester Junction to Charlotte... ..	6.88
Buffalo to Lewiston.....	28.25
	<hr/>
	258.13 "
Total length owned by company.....	555.88 "
Second track (exclusive of sidings and turnouts less than one mile in length).	248.71 "
Sidings, turnouts and switches.....	152.27 "
	<hr/>
Total length of equivalent single track.....	976.86 "
The length of the Niagara Bridge and Canandaigua Railroad, leased by the company, and extending from Canandaigua to Suspension Bridge, is.....	98.46
Branch to Elevator at Tonawanda.....	1.63
Siding, turnouts and switches... ..	3.42
	<hr/>
	103.51 "
Total length owned and leased by company.....	1,080.37 "

The following table gives the length of the line owned and leased at the close of each year since the consolidation of May, 1853:

Fiscal years.	Length of Routes				D'ble track, sidings and switches.	Equiv- alent to single track.
	Main line. (miles)	Laterals and branches. (miles)	Leased line. (miles)	Total length. (miles)		
1853 (5 months)	297.75	265.00	...	562.75	240.50	808.25
1853-54	297.75	265.00	....	562.75	276.75	839.50
1854-55	297.75	258.18	....	555.88	306.20	862.08
1855-56	297.75	258.18	....	555.88	311.80	867.68
1856-57	297.75	258.18	....	555.88	325.47	881.35
1857-58	297.75	258.18	....	555.88	335.21	891.09
1858-59	297.75	258.18	98.46	654.34	349.46	1,003.80
1859-60	297.75	258.18	98.46	654.34	369.47	1,023.81
1860-61	297.75	258.18	98.46	654.34	374.83	1,029.17
1861-62	297.75	258.18	98.46	654.34	384.14	1,038.48
1862-63	297.75	258.18	98.46	654.34	403.06	1,057.40
1863-64	297.75	258.18	98.46	654.34	413.34	1,067.68
1864-65	297.75	258.18	98.46	654.34	426.03	1,080.87

The main line is wholly double track, except a gap from Port Byron to Clyde, 13.09 miles, and another from Rochester to Churchville, 14.51 miles.

The *rolling stock* on the road and branches, on the 30th of September, 1865, was as follows :

Locomotive engines.....	258
First class passenger cars.....	206
Second class and emigrant cars.....	78
Baggage, mail and express cars..	82
	366
Freight cars—wooden box.....	2,987
“ iron box.....	717
“ platform.....	1,200
	4,904
Gravel cars and other service cars.....	350

The following table shows the equipment at the close of each fiscal year :

Fiscal years	—Passenger Train Cars—					—Freight Train Cars—			Ser- vice cars.
	Loco- motives.	1st class.	2d class.	B. M. & E.	Total.	Wood.	Iron.	Plat- form.	
1853 (5 mos.)	147	156	55	55	266	....	..	....	245
1853-54	175	187	55	65	307	....	..	....	285
1854-55	188	187	76	62	325	1,354	..	429	265
1855-56	209	182	79	66	327	....	..	....	245
1856-57	218	196	74	64	334	....	..	....	245
1857-58	218	192	66	64	322	....	..	....	350
1858-59	211	196	41	61	298	....	..	....	350
1859-60	216	196	39	61	296	....	..	....	350
1860-61	215	196	40	61	297	....	..	....	350
1861-62	229	196	35	63	294	2,404	121	717	350
1862-63	239	197	58	68	323	2,693	510	803	350
1863-64	241	188	68	78	334	2,782	719	1,095	350
1864-65	258	206	78	82	366	2,987	717	1,200	350

The *general movement of trains with passengers and freight*, in each year since the consolidation, has been as follows :

Fiscal years.	—Miles run by Trains—				—Carried one Mile—	
	Passenger.	Freight.	Other.	Total.	Passengers.	Tons of freight.
1853-54	2,117,058	1,200,240	.....	3,317,278	163,874,973	81,168,040
1854-55	1,941,521	1,410,371	312,682	3,664,574	169,052,341	99,605,836
1855-56	1,774,093	1,522,439	303,357	3,599,889	165,889,551	145,733,678
1856-57	1,836,212	1,811,109	336,969	3,984,290	160,423,541	145,873,776
1857-58	1,821,431	1,847,763	273,353	3,942,547	136,001,023	142,691,178
1858-59	1,509,071	1,824,978	311,079	3,645,128	132,993,340	157,136,000
1859-60	1,816,279	2,344,881	332,053	4,493,213	126,588,091	199,231,302
1860-61	1,850,056	2,727,730	369,367	4,947,153	116,174,787	237,392,974
1861-62	1,753,215	3,233,565	381,892	5,368,672	119,028,024	246,963,492
1862-63	1,902,908	3,347,244	442,071	5,692,223	147,287,968	312,195,746
1863-64	2,123,590	3,452,275	414,353	5,990,206	193,447,725	314,081,410
1864-65	2,276,888	3,094,565	432,595	5,804,048	223,229,271	264,992,626

The *direction and amount of travel* (passengers carried) in each year, have been as follows :

Fiscal Years.	—Eastward—		—Westward—		—Both ways—		Total.
	Thro'	Way.	Thro'	Way.	Thro'	Way.	
1853-54	.....	.....	.....	.....	.....	.....	2,556,874
1854-55	.....	.....	.....	.....	201,584	2,515,948	2,717,477
1855-56	71,762	1,281,012	118,678	1,803,166	190,485	2,589,178	2,729,613
1856-57	81,306	1,187,129	121,858	1,219,654	208,164	2,406,783	2,609,947
1857-58	81,017	966,971	82,530	998,921	163,547	1,960,892	2,124,439
1858-59	79,883	1,119,866	74,410	988,018	154,248	2,102,404	2,256,647
1859-60	70,481	1,104,523	71,587	1,014,545	142,068	2,119,069	2,261,186
1860-61	54,890	1,054,170	63,528	981,856	117,918	2,086,081	2,153,944
1861-62	54,857	1,122,538	65,181	1,034,451	119,988	2,156,989	2,276,977
1862-63	68,718	1,883,041	79,167	1,248,038	147,880	2,576,074	2,728,954
1863-64	96,245	1,780,852	105,115	1,622,542	201,860	2,352,894	2,554,254
1864-65	108,455	1,857,553	127,349	1,667,906	235,754	2,547,509	2,783,263

Included in the above are emigrants going West, as follows :

Years.	Thro'	Way.	Total.	Years.	Thro'	Way.	Total'
1855-56	32,367	17,078	52,263	1860-61	10,887	7,288	18,125
1856-57	83,869	10,445	44,814	1861-62	12,901	5,240	18,141
1857-58	15,271	4,064	19,835	1862-63	18,412	6,217	19,629
1858-59	11,287	4,410	15,647	1863-64	16,481	7,530	24,011
1859-60	11,313	9,591	20,908	1864-65	14,877	4,482	19,359

The direction and amount of traffic (tons of freight carried) in each year, is shown in the following statement :

Fiscal Years.	—Eastward—		—Westward—		—Both ways—		Total
	Thro'	Way.	Thro'	Way.	Thro'	Way.	
1853-54	.....	.....	.....	.....	.....	.....	549,806
1854-55	.....	.....	.....	.....	156,194	513,879	670,073
1855-56	172,781	885,478	80,507	137,346	253,288	522,824	776,112
1856-57	179,647	401,660	113,230	144,254	292,877	545,914	838,791
1857-58	229,275	347,775	83,133	103,224	312,408	452,999	765,407
1858-59	234,241	386,686	113,888	149,554	348,079	486,240	834,319
1859-60	203,529	436,729	118,997	178,928	412,526	615,657	1,028,183
1860-61	489,956	445,072	115,941	170,838	551,897	615,405	1,167,302
1861-62	616,177	447,951	161,018	162,292	777,190	610,243	1,387,433
1862-63	610,933	433,326	213,794	191,551	824,727	624,877	1,449,604
1863-64	588,217	555,955	178,362	234,624	766,569	790,579	1,557,148
1864-65	455,984	436,553	184,591	198,171	640,575	634,724	1,275,299

The following table classifies the tonnage for each of the above years :

Fiscal Years.	Products					Man- ufact's.	Merchan- dize.	Other Articles.
	Forest.	Animals.	Veg.	Food.	Agri'l.			
1853-54.....	45,530	115,417	156,204	10,935	52,244	94,648	74,833	
1854-55.....	37,971	131,224	244,605	9,792	60,140	105,312	81,029	
1855-56.....	29,547	161,807	283,027	20,168	72,732	127,281	81,700	
1856-57.....	31,468	180,852	275,941	18,989	75,731	177,708	78,102	
1857-58.....	24,368	172,076	301,507	18,373	47,939	134,482	66,663	
1858-59.....	35,154	204,167	249,751	30,096	57,036	178,782	79,333	
1859-60.....	42,305	223,362	348,872	39,169	77,256	201,567	100,622	
1860-61.....	39,310	251,164	441,562	47,841	80,597	192,583	113,945	
1861-62.....	39,479	350,020	469,885	45,245	92,123	243,105	138,576	
1862-63.....	58,829	395,876	405,380	72,467	88,965	310,275	123,812	
1863-64.....	87,584	383,000	461,511	57,150	112,267	287,804	167,822	
1864-65.....	55,718	348,661	349,103	32,099	71,484	258,043	160,191	

The freight per ton per mile in each year was as follows :

	Cts.		Cts.		Cts.
1853-54	3.05	1857-58	2.59	1861-62	2.23
1854-55	3.02	1858-59	2.13	1862-63	2.38
1855-56	2.95	1859-60	2.05	1863-64	2.70
1856-57	3.12	1860-61	1.96	1864-65	3.26

The income account of the two last years, 1863-4, and 1864-5 compare as follows :

	1863-64.	1864-65.		Difference
By balance from last year	\$3,761,248 35	\$3,848,667 63	incr	\$89,644 88
" Passenger receipts	8,928,151 80	4,571,474 10	"	596,802 80
" Freight	8,548,870 55	8,776,077 53	"	231,636 98
" Mail	97,790 00	97,790 00	"	.....
" Miscellaneous	485,677 43	589,251 76	"	146,674 28
Total	\$16,763,188 18	\$17,830,392 07	incr	\$1,067,258 89
To maintaining and operating	9,346,184 86	10,882,858 09	incr	1,536,173 73
" Coupons and interest	1,026,765 88	974,169 26	decr	52,596 12

To Dividend, Feb.....	1,218,450 00	731,730 00	"	496,720 00
" " August.....	975,400 00	787,780 00	"	287,670 00
" U. S. tax on dividend.....	85,328 59	78,478 00	"	11,850 50
" Future increase—contribution to debt, certificate sinking fund.....	111,182 88	111,182 88		.....
" Rent of N. B. & Canada Railroad.....	60,000 02	60,000 00		.....
" U. S. tax on earnings.....	84,959 88	838,451 85	incr	253,491 97
" Balance Sept. 30.....	8,854,867 68	8,921,297 49	"	66,429 81
Total disbursements.....	\$16,763,183 18	\$17,830,392 07	incr	\$1,067,208 89

The following table exhibits the yearly gross earnings, the operating expenses, and net earnings for the twelve years and five months ending September 30, 1865 :

Fiscal Years.	GROSS EARNINGS				Operating Expenses.	Nett Earnings.
	Passengers.	Freights.	Mail, &c.	Total.		
1853 (5 mos).....	\$1,475,470	\$417,118	\$94,096	\$1,986,679	\$1,164,646	\$822,033
1853-1854.....	3,151,514	2,479,821	287,000	5,918,335	3,088,041	2,830,294
1854-1855.....	3,242,229	3,189,603	131,749	6,563,581	3,401,456	3,162,125
1855-1856.....	3,207,378	4,328,042	171,928	7,707,348	4,097,867	3,609,481
1856-1857.....	3,147,687	4,559,276	320,388	8,027,251	4,453,515	3,573,736
1857-1858.....	2,532,647	3,700,270	295,406	6,528,413	3,487,292	3,041,121
1858-1859.....	2,566,370	3,337,148	297,331	6,200,849	3,349,429	2,851,420
1859-1860.....	2,569,265	4,095,984	292,042	6,957,241	4,278,841	2,678,400
1860-1861.....	2,315,933	4,664,449	328,660	7,309,042	4,647,979	2,662,063
1861-1862.....	2,389,724	6,607,331	359,778	9,356,822	5,607,750	3,749,078
1862-1863.....	2,930,341	7,498,509	468,781	10,897,631	6,842,633	4,054,998
1863-1864.....	2,923,152	8,543,371	581,367	12,097,890	9,346,184	3,651,706
1864-1865.....	4,521,454	8,776,027	678,043	13,975,524	10,882,358	3,093,166

From the nett earnings the following sums (not including construction) were paid and disbursed in the several years :

Years.	Interest.	Sinking Funds.	Leased Railroad.	U. S. Tax.	Dividends.	Surplus.
1853 (5 mos).....	\$329,726	\$46,327	.....	.....	2,117,954	395,625
1853-54.....	656,518	111,182	.....	.....
1854-55.....	839,928	111,182	.....	.....	1,913,483	702,468
1855-56.....	931,577	111,182	.....	.....	1,919,564	647,158
1856-57.....	970,871	113,294	.....	.....	1,919,564	569,807
1857-58.....	976,192	113,294	.....	.....	1,919,564	32,071
1858-59.....	970,059	116,754	60,000	.....	1,679,782	24,825
1859-60.....	995,272	115,266	60,000	.....	1,440,000	77,862
1860-61.....	1,001,977	114,965	60,000	.....	1,440,000	55,881
1861-62.....	1,021,198	113,968	60,000	.....	1,440,000	113,917
1862-63.....	998,140	112,060	60,000	.....	*1,730,400	1,154,398
1863-64.....	1,026,765	111,182	60,000	84,960	*2,279,173	89,626
1864-65.....	974,169	111,182	60,000	338,452	*1,542,933	66,430

The following are the details of the dividends declared and paid since the consolidation :

No. 1.—1854 February 5.....	\$1,158,212	No. 13.—1860 February 3.....	\$720,000
" 2.— " August 4.....	956,283	" 14.— " August 3.....	720,000
" 3.—1855 February 4.....	957,499	" 15.—1861 February 3.....	720,000
" 4.— " August 4.....	959,742	" 16.— " August 3.....	720,000
" 5.—1856 February 4.....	959,782	" 17.—1862 February 3.....	720,000
" 6.— " August 4.....	959,782	" 18.— " August 3.....	720,000
" 7.—1857 February 4.....	959,782	" 19.—1863 February 3½.....	840,000
" 8.— " August 4.....	959,782	" 20.— " August 3½.....	840,000
" 9.—1858 February 4.....	959,782	" 21.—1864 February 5.....	1,218,450
" 10.— " August 4.....	959,782	" 22.— " August 4.....	975,400
" 11.—1859 February 4.....	959,782	" 23.—1865 February 3.....	731,730
" 12.— " August 3.....	720,000	" 24.— " August 3.....	787,730

The Balance Sheet from the General Ledger for the two years, 1863-64 and 1864-65, compares as follows ;

	1863-64.	1864-65.	Difference.
Capital Stock.....	\$24,386,000 00	\$24,591,000 00	incr. \$205,000 00
Funded Debt, viz.:			
Debt Certificates.....	6,917,597 83	6,690,119 62	decr. 227,478 21
Bonds for Railroad Stocks.....	663,000 00	634,000 00	" 29,000 00
" for Real Estate.....	165,000 00	165,000 00	"
" for funding debts of old Companies....	1,398,000 00	1,398,000 00	.....
Funded Debt of Schenectady and Troy R. R.			

* Including U. S. Tax on Dividends.

Company.....	100,000 00	.....	decr.	100,000 00
Funded Debt of Albany & Schenectady R. Co ..	100,000 00	100,000 00	"	.....
Funded Debt of Buffalo & Rochester R. R. Co	24,920 59	.....	"	24,920 59
Bonds to Buffalo and N. Falls R. R. Co.....	78,000 00	78,000 00		.....
Bonds, convertible, due 1876.....	604,000 00	2,899,000 00	incr.	1,795,000 00
Bonds and mortgages.....	235,823 65	238,923 15	"	2,500 00
Bonds (renewal) due 1887	2,925,000 00	2,925,000 00		.....
Bills Payable.....	52,568 26	38,000 00	decr.	14,568 26
Unclaimed Dividends.....	5,144 76	5 631 90	incr.	491 14
Expenses of operating: paid in October	880,824 14	451,753 20	"	70,929 06
Coupons and interest: accrued				
to September 30.....	349,041 00	300,492 24	"	11,450 74
United States: Tax account.....	36,215 45	79,879 80	"	48 614 35
Income account: Balance Sept. 30.....	8,854,867 68	8,921,297 49	"	66,429 81
Total Debit.....	\$42,275,999 86	\$44,075,497 40	"	\$1,799,498 04
Railroad and equipment.....	\$32,879,251 38	\$38,701,919 57	incr.	\$822,668 18
Cash in Banks.....	135,131 38	162,770 64	"	87,6 9 26
Balances in hands of agents.....	848,134 43	783,892 29	decr.	64,242 14
Stocks and Bonds, viz.:				
Buffalo and State Line R. R. Stock.....	542,300 00	542,300 00		.....
Troy Union R. R. stock.....	62, 50 00	68,950 00	incr.	6,800 00
Hudson River Bridge Stock and Bonds....	108,495 00	4 8,000 00	"	899,505 00
Lake Propeller Stock .....	.....	149,041 54	"	149,041 54
Erie and Pittsburg R.R. bonds.....	.....	81,500 00	"	81,500 00
Future Income: proportion of debt certifi-				
cates, etc: Chargeable to income.....	6,995,597 83	6,768,119 62	decr.	227,478 21
Fuel and Supplies: surplus beyond	1,491,756 04	1,173,633 18	incr.	681,877 14
Bills receivable.	150,046 91	182,210 57	decr.	17,836 34
General Post Office Department.....	23,923 89	23,947 50	incr.	23 61
Real Estate (Buffalo & N. Falls R. R. Co.)..	32,500 00	32,500 00		.....
Real Estate (Oliver Lee & Co's bank)... ..	6,712 50	6,712 50		.....
Total Credit.....	\$42,275,999 86	\$44,075,497 40	incr.	\$1,799,498 00

The following statements exhibit the details of the general account as it stood on 30th September, 1856-65, both years included:

Fiscal years.....	Share capital	Funded debt.	Bills payable.	Operating acc'ts.	Balance of income	Total amount.
1855-56.....	\$24,136,661	\$14,768,897	\$194,732	\$642,771	\$1,301,036	\$41,033,827
1856-57.....	24,136,661	14,607,510	197,639	693,877	1,826,572	41,461,654
1857-58.....	24,182,400	14,402,635	88,000	416,274	1,594,326	40,683,635
1858-59.....	24,000,000	14,333,771	.....	413,083	1,619, 50	40,306,605
1-59-60.....	24,000,000	14,332,523	127,375	481,537	1,697,012	40,638,447
1860-61.....	24,000,000	14,618,005	209,856	646,549	1,576,378	41,045,289
1861-62.....	24,000,000	14,2 9,598	33,890	863,057	2,690,295	41,806,885
1862-63.....	24,209,000	13,779,648	284,411	821,578	3,765,243	42,559,800
1863-64.....	24,386 000	13,211,841	52,568	771,222	3,854,868	42,275,999
1864-65.....	24,591,000	14,627,443	88,000	897,757	3,921,297	44,075,497

Against which are charged for construction, equipments, stocks owned by company, claims (debt certificates) on future income, supplies beyond \$1,000,000, and other assets the following:

Fiscal years.	Railroad & equipment.	Stocks. & bonds.	Debt certifi's.	Fuel & supplies.	Banks. & agents.	Bills payable & oth as'ts.
1855-56	\$29,786,872	\$812,453	\$8,998,176	.....	\$1,176,153	\$200,770
1856-57	30,515,815	910,797	8,991,977	.....	750,482	292,583
1857-58	30,732,517	763,230	8,193,000	\$360,939	500,464	78,486
1858-59	30,840,714	587,980	8,015,000	236,707	490,163	144,442
1859-60	31,106,065	964,331	7,631,000	150,934	442,835	143,732
1860-61	31,524,226	921,131	7,634,500	240,021	572,034	153,375
1861-62	31,787,393	782,580	7,429,500	341,410	1,316,467	209,481
1862-63	32,740,068	791,965	7,224,104	519,829	1,392,258	191,656
1863-64	32,877,251	712,945	6,997,598	491,756	983,266	213,183
1864-65	33,701,920	1,279,791	6,768,120	1,173,633	956,663	195,370

The cost of road *per mile*, the earnings and expenses *per miles*, the *rate of expenses to gross earnings*, and the *rate of dividends per annum* are shown in the annexed table:

Fiscal years.	Cost of R'd p. mile.	Earn'gs p. mile.	Exp'ses p. mile.	Profits p. mile.	Exp's to ea'ns.	Rate of divi-dend.
1853 (5 mos.).....	\$39,511	\$8,469	\$4,964	\$3,505	58.61	} 9 8 8
1853-54.....	40,972	10,612	5,485	5,027	52.18	
1854-55.....	51,302	11,805	6,117	5,688	51.49	
1855-56.....	53,372	12,861	7,370	6,491	53.17	

1856-57.....	54,684	14,437	8,000	6,429	55.47	8
1857-58.....	5,274	11,741	6,279	5,469	53.42	8
1858-59.....	55,469	11,152	6,024	5,129	54.01	7
1859-60.....	55,046	12,513	7,005	4,818	61.42	6
1860-61.....	56,694	13,146	8,349	4,787	63.59	6
1861-62.....	57,171	16,829	10,085	6,714	69.16	6
1862-63.....	58,835	19,600	12,307	7,293	62.78	7
1863-64.....	69,135	23,377	16,809	6,508	71.90	9
1864-65.....	60,618	25,135	19,773	5,563	77.86	8

The rates at which the stock of the company has sold at the New York Stock Exchange for the past five years have been as follows:

Years.....	1860-61.	1863-64.	1864-65.
October.....	8	10	10
November.....	9	11	11
December.....	6	11	11
January.....	7	10	10
February.....	7	19	19
March.....	7	8	8
April.....	6	8	8
May.....	7	8	8
June.....	7	8	8
July.....	7	9	9
August.....	7	9	9
September.....	7	9	9

Year..... 68 @ 12 1/2 73 1/2 @ 104 101 @ 140 114 @ 145 63 1/2 @ 125 1/2

In explanation of the results of the year 1864-65 the Report makes the following statement:

The items charged to Construction account, during the year, have been:

Land; principally at Troy, Syracuse and Buffalo.....	\$110,718 18
17 engines, 18 passenger and 322 freight cars added to equipment.....	659,300 00
5.85 miles of second track on the Syracuse and Rochester direct road.....	52,050 00
	\$822,068 18

All the other expenditures during the year (except as shown in the increased value of fuel and supplies) have been charged to Transportation Expenses, and include a very general and thorough overhauling and repairing of the motive power and rolling stock, and of the road-bed and superstructure, the rebuilding of the cattle sheds at Buffalo, and a portion of the car shops at West Albany, which had, respectively, been destroyed by fire, and the rebuilding of the bridge over the Genesee River at Rochester, which had been carried away by the flood in March. The uniformly extreme cold weather in January, February and March, and the unusual fall of snow and rain in the two months last named, caused great general damage and consequent additional expense for repairs, besides materially diminishing the traffic.

The stock of Fuel and Supplies (from the light supply of which during the winter of '64 and '65 some difficulty was experienced) has been increased to a proper standard. The enhanced price of the articles made the value of nearly similar quantities much greater than formerly, and necessarily involved a larger investment of money to provide for the requirements of the line.

Owing mainly to the great increase in prices, the net result of the business of the year did not afford sufficient means to meet this investment, in order to provide for which, and for the amounts paid on Construction account, and for account of Hudson River Bridge at Albany (the latter \$480,000.00), there was issued, during the year, \$2,000,000.00 in convertible seven per cent bonds, due in 1876. During the same period certain items of debt matured and were paid off, so that, at the close of the fiscal year, the Capital Stock and Funded Debt stood \$1,521,000.00 more than at the close of last fiscal year. Statements showing the amount of Capital Stock and Funded Debt at close of each fiscal year, from 1866 to 1865, will be found on pages 8 and 9.

The Iron Bridge over the Erie Canal at Schenectady, spoken of in last year's Report has been completed this year. The length of iron bridging now upon the line, reduced to single track, is 5,677 8-12 feet.

The renewal of Iron Rails, during the year, amounted to 15,708 tons, equal to 163.62 miles of single track. The number of Ties renewed during the same period was 336,650.

The New York Central Railroad Company is a consolidation of a number of original and separate companies whose lines in conjunction extended from Albany & Troy on the Hudson River to Buffalo on Lake Erie, with extensions to the Niagara Suspension Bridge and other points. These were as follows :

	Miles.
Albany & Schenectady.....	16.97
Schenectady & Troy.....	20.50
Utica & Schenectady ..	78.00
Syracuse & Utica.....	58.00
Syracuse & Rochester Direct.....	78.70
Rochester & Syracuse.....	104.00
Buffalo & Lockport	12.25
Mohawk Valley (never built) .....	.....
Rochester, Lockport & Niagara Falls.....	76.50
Buffalo & Rochester.....	80.00

—and several others were subsequently added to the consolidation.

The *Albany & Schenectady* was originally chartered under the title of the Mohawk & Hudson Railroad Company and was the first corporation of the kind chartered in the State. The construction of the road was commenced in August, 1830, and the road completed and opened to the public September 24, 1831. The superstructure was primitive, being simply longitudinal sills, on which a flat bar 9-16th inch thick and 2½ inches wide was laid. The ascents from Albany & Schenectady respectively were overcome by inclined planes worked by stationary engines, the intermediate road being operated by both engine and horse power. The first engine used was of American manufacture and weighed *three* tons. An engine imported from England, weighing *twelve* tons, could not be used on account of its weight. The planes were abandoned in 1844, and in 1847 the original name of the company was changed to that of Albany & Schenectady. The cost of the road at the date of consolidation was \$1,810,693 and for the five years then ending the dividends averaged seven per cent on the capital.

The *Schenectady & Troy* Railroad Company was chartered in 1836 and the road built in 1841-42. At the date of the consolidation its cost had been \$698,873. No dividends were ever paid.

The *Utica & Schenectady* Railroad Company was chartered in 1833. Construction was commenced in the fall of 1834 and completed August 1, 1836. The cost in 1853 was \$4,296,728. Dividends for the five previous years averaged twelve per cent on its capital stock.

The *Syracuse & Utica* Railroad Company was chartered in March 1836, and the road fully opened to traffic July 3, 1839. Up to 1853 it had cost \$2,836,856. From '39 to '50 inclusive, the annual dividend was eight per cent and thenceforward to consolidation ten per cent.

The *Syracuse & Rochester Direct* Railroad Company was organized under the general law August 6, 1850, and was immediately merged into the Rochester & Syracuse Company by which the road, 84.70 miles in length, was constructed and opened in 1853.

The *Rochester & Syracuse* Railroad Company was formed by the consolidation August 1, 1850 of two separate organizations, viz.: the "Auburn and Syracuse," 26 miles, chartered in 1834 and completed in 1838-39, and the "Auburn & Rochester," 78 miles, chartered in 1836 and

completed in 1841. Both roads were very successful and paid during their separate existence eight per cent dividends. Including the direct road their cost at consolidation was \$6,506,801. In the three previous years the company paid a total dividend of 23 per cent.

The *Buffalo & Lockport* Railroad Company was organized under the general law April 29, 1852. While the road was being constructed it was consolidated into the Central Company at an estimated value of \$675,000. The road was opened in 1854.

The *Mohawk Valley* Railroad Company was formed under the general law Jan. 21, 1851 and anew Dec. 28, 1852. The company proposed to construct a railroad on the south bank of the Mohawk between Utica and Schenectady. No portion of the road was ever constructed, and in 1853 the company became merged into the consolidation, the share capital being paid by agreement to the Central Company.

The *Rochester, Lockport & Niagara Falls* Railroad Company was successor to the Lockport & Niagara Falls Company, chartered in 1834. Its road, 23 miles long, was completed and opened in 1838 at a cost of \$197,000. In 1850 the company filed articles of association under the title of the Rochester, Lockport & Niagara Falls Railroad Company, and soon after commenced the reconstruction of the original road and the extension of the line from Lockport to Rochester, 53½ miles. The whole was finished July 1, 1852, at a cost of \$2,343,388. In thirteen months previous to August 1, 1853, the road earned \$309,848 gross, or \$194,466 net, out of which was paid a 3 per cent dividend.

The *Buffalo & Rochester* Railroad Company was formed Dec. 7, 1850, by the consolidation of the "Attica & Buffalo" and the "Tonawanda" companies. In 1852, having completed a direct road between Buffalo & Batavia, the company sold that portion of its original road which extended from Buffalo to Attica, 31.95 miles, to the Buffalo & New York City Company. At the date of consolidation into the Central Company the road had cost \$3,332,152, and was paying 10 per cent on its capital.

The articles of agreement required by the act authorizing the consolidation of the above named companies were signed May 17, 1853, but did not take effect before August 1. In addition to the roads named, the new company acquired by further consolidation, the line from Rochester Junction to Charlotte 7 miles in 1853, and the line from Buffalo to Lewiston 28 miles in 1855; and by lease the Canandaigua and Niagara Bridge Railroad 91 miles in July, 1858.

The consolidation fixed the Capital Stock at \$24,000,000 of which the stocks of the original companies amounted to \$22,858,600. These stocks stood as follows:

Albany & Schenectady.....	\$1,585,800	Syracuse & Utica direct.....	\$600,000
Schenectady & Troy.....	650,000	Rochester & Syracuse.....	5,606,700
Utica & Schenectady.....	4,500,000	Rochester, Lockport & N. Falls	2,016,100
Mohawk Valley	1,575,000	Buffalo & Rochester.....	3,000,000
Syracuse & Utica.....	2,700,000	Buffalo & Lockport.....	675,000

—making a total of \$22,858,600. This amount was further increased by the conversion of outstanding bonds \$800,000, the capital of the Buffalo & Niagara Falls Railroad \$565,000 of the Lewiston Railroad \$217,600 and the Charlotte Branch \$150,000, companies subsequently admitted into the consolidation. The capital now amounts to \$24,591,000.

The bonds of the several companies were assumed and exchanged generally for bonds of the consolidated company at par.

Included in the debt of the company are a series entitled Premium Bonds or Debt Certificates. These were issued to the stockholders on the old lines, being the estimated value of their stocks above par.

This excess of par or rate of premium was rated in the articles of consolidation as follows :

Companies.	Stock and Conv. bonds.	Rate Premium.	Amount of Pr. mium.
Albany & Schenectady.....	\$1,621,800	17	\$275,706
Utica & Schenectady	4,500,000	55	2,475,000
Mohawk Valley.....	1,575,000	55	866,250
Syracuse & Utica	2,500,000	50	1,250,000
Syracuse & Utica direct.....	600,000	50	300,000
Rochester & Syracuse.....	5,608,700	30	1,682,610
Rochester, Lockport & N. Falls.....	2,155,100	25	538,684
Buffalo & Lockport	675,000	25	168,750
Buffalo & Roch-ster.	3,000,000	40	1,200,000
Rochester & Charlotte.....	150,000	25	37,500
Schenectady & Troy.....	650,000	par.	.....
Total.....	\$23,285,600		\$8,892,480

The articles of consolidation provided for a Sinking Fund for the retirement of the Debt Certificates by the annual payment thereto of a sum equal to one and a quarter per cent of the amount issued. This is \$111,182 38. The whole amount retired by the operation of this fund to the 1st October, 1865 was \$2,202,480 38 leaving \$6,690,119 62 outstanding.

The policy of issuing these bonds has been condemned. The principle has not been followed in posterior consolidations. Instead of ascending the practice is now to descend from a par, and so scale inferior stocks to their proper level. Had the Central Company followed this plan a great financial burden would have been avoided—the cost of the certificates being upwards of \$600,000 a year for 30 years, deducting so much from the dividend fund. Had they made the highest stocks par and scaled down the result would have saved all this, and also large sums in the reduction of the inferior stocks.

The New York Central Railroad as now existing is one of the most extensive establishments of the kind in the United States. It forms one of the great lines between the east and west, and has grown up on the commerce between the two sections. It depends also largely on its local business. Anything that affects these is naturally of importance. A failure of crops, or a stagnation in business, are soon felt in a decrease of revenue. On the other hand the late war created for it an immense traffic which swelled the gross receipts enormously, but at the same time labor and material were enhanced in cost, and the actual result was a loss in net revenue, which in 1862-63 was \$4,054,998, but in 1864-65 only \$3,093,106 and at least one half of this residue was raised chiefly by increasing the freight charge from \$2.70 cents in 1863 4 to \$3.26 cents in 1864-5 per ton per mile. A large gain was also due to increased travel, the volume having increased 15 per cent the last year. The dividends necessarily fell from 9 to 6 per cent. The prospects for the current year are that the result will be the total consumption of net

earnings in expenses and interest, for passage traffic has already returned to its usual rate, and freighting, reduced 15 per cent from its maximum last year, will sink a like rate the current year without a possibility of further increasing charges. Operating expenses in the meanwhile continue as high as when highest.

No further dividends can, therefore, be expected for years to come, nor at all until there is brought about a truer balance between income and cost.

OUR RESOURCES,*

A LECTURE BY H. C. CAREY, READ DECEMBER, 1865, BEFORE THE AMERICAN STATISTICAL AND GEOGRAPHICAL SOCIETY OF NEW YORK, AND THE ASSOCIATION FOR THE PROMOTION OF SOCIAL SCIENCE OF BOSTON.

It is of the resources of the Union, gentlemen, that I propose this evening to talk with you. By those who usually speak or write on that subject we are constantly told of the vast extent of our yet unoccupied land, of the great deposits of fuel and of metallic ores by which our soil is underlaid, and of the rapidly growing numbers of our population; and yet, if we look to Russia, Turkey, Canada, Mexico, or the South American States, the countries in which such land most exists; or to that European one, Ireland, in which the growth of population has been most rapid; we find among them precisely those in which land has the smallest money value, capital is most rare, interest at the highest rate, and the working man most nearly in the condition of bond slave to the landowner or other capitalist. Turning our eyes homeward and comparing the different portions of the Union, we find, in the States south of the Potomac, the greatest natural advantages coupled with a population whose natural increase has been even greater than that of these Northern States; yet there it is that land has been cheapest, that capital has least increased, that interest has been at its highest point, and that the laborer has been most enslaved. Passing thence to the New England States, we find that, though wholly destitute of natural advantages, land is there scarce and high in price, and man is free, while capital abounds, and interest, though high when compared with certain parts of Europe, is very low by comparison with almost any other portion of this Western Continent.

Crossing the Atlantic, and comparing two of the smaller kingdoms, near neighbors to each other, Ireland and Belgium, both possessing great natural advantages, we find differences closely approaching those which are here observed. In the first, capital has been so scarce that, while holding the laborer in a condition nearly akin to slavery, the middleman possessor of money has been enabled utterly to ruin a large proportion of those who formerly owned the land; in the latter, on the contrary, land commanding a higher price than in any other part of Europe, and the use of money being readily obtained at the lowest rate of interest. Turning next to the French and Turkish empires, we find ourselves face to face

* We must not be held to endorse the conclusions of the articles we publish under the authors' names. Mr. Cary has presented his case very ably, as usual.—E. HUNT'S MAG.

with phenomena similar in character and even yet more remarkable for their extent. The former has no important natural advantages, yet is its land nearly on a par with that of Belgium, while capital so much abounds that money is readily there obtainable at moderate interest. The latter, on the contrary, has every conceivable advantage, fertile land abounding and the climate being among the best in the world, while fuel and metallic ores exist in great abundance; yet there it is that, of all Europe, land is cheapest, interest highest, and the laborer most depressed; and that, as a necessary consequence, the State is weakest.

Comparing Germany of the past and present we meet with similar contrasts. Forty years since she exported wool and rags and imported cloth and paper, and then her people were poor and her land very low in price while she herself was little better than a mere tool in the hands of foreign powers. Now, she imports both wool and rags and exports both cloth and paper; and it is as a necessary consequence of the changes that have been thus effected, that land and labor have greatly risen in price; that capital abounds and interest is low; and that she herself feels strong enough to set at defiance, as in the case of the Duchies she recently has done, the almost united will of Europe.

Having all these facts before us we are led necessarily to the conclusion that, with societies as with individuals, prosperity is far less due to the liberality of nature than to the use that is made of the bounties, large or small, of which they have been the recipients. The highly-gifted man, head of his class, throwing away his time and wasting his talents, dies in poverty, despised by all; while the patient industry of the fellow scholar to whom nature had been far less bounteous, enables him to attain to fortune, fame, and influence. Precisely so is it with nations, the question of their prosperity or adversity being dependent, mainly, not on the extent of nature's gifts, but on the use that is made of those which have been accorded.

Studying now the several communities above referred to, we find them susceptible of being divided into two well-defined classes, one of which, embracing Ireland, Turkey, Mexico, Canada, and the South American States, exports its products in their rudest state, leaving to others the work of changing their forms, and thus fitting them for consumption by the world at large. The other, embracing France, Belgium, and the *Zoll-Verein*, buys the raw products of other countries, combines with those produced at home, and sends the two, thus combined, to every market of the world. In the first these the price of land is low, capital is always scarce, and the capitalist is master of the laborer, whose condition is little better than that of a mere hewer of wood and drawer of water for the middleman by whose aid he maintains his little commerce with the outer world.

Looking now homeward we find our Union itself equally susceptible of division, the South and West exporting raw produce and paying at the highest rate for the use of a very little money; the North and East meanwhile buying that produce, changing its form, and returning it to the original producers burthened with the heavy charges to which our Eastern friends have stood indebted for the large capitals which are always ready to be lent at rates of interest that, as I have already said, are moderate by

comparison with those of the West and South, though high when compared with those of the European States to which reference has above been made.

Studying all the facts thus presented by so many important communities, we are led inevitably to the conclusion that the growth of capital is slow, and the price paid for its use high, in the direct ratio of dependence on strangers for finishing and distributing the products of the soil; while rapid in its growth and declining in its price in the ratio of the increase of that national independence which enables each and every nation to exchange directly, and without the need of foreign intervention, with each and every other. Admitting this, and all experience proves it so to be, then must the extent of national resources be mainly dependent upon the policy pursued, whether that which tends to promote or to repress the growth of that independence.

The questions asked by science are, "What are the facts?" and "Why are they so?" The first having above been answered, we come now to the second—"Why is it that poverty, high interest, and subjection of the laborer to the will of the capitalist are constant attendants of that course of policy which tends to limit nations to the two pursuits of labor in the field and labor in the shop—trade and agriculture?" To this an answer has recently been given by a well-known citizen of your State, one of the clearest-headed and most acute of economists, and late State Reporter—one to whom I gladly here acknowledge myself to have been indebted for many valuable suggestions—my friend, Mr. E. Peshine Smith; and so well given that, although yet unpublished, I place it here before you with his permission, in the words of his manuscript now in my possession, as follows:—

"Between the production of any commodity whatsoever, and its consumption, the interval, long or short, is one of inertness. So long as it so remains it stands a monument of human power and natural forces which, having expended themselves in bringing it into shape, slumber in suspended animation, not only communicating no impulse to that incessant activity which is the characteristic of vitality, but actually constituting a clog and obstruction that involves a draught upon the vital forces for the work of putting it again in motion. It is like an inorganic body contained within, and afflicting, an organism.

"The space to be overcome, and the time that must intervene before, by consumption, it evolves utility—thus becoming once again an instrument and a force—are coefficients of its value, neutralizing in the same proportion the power of the community in which it so rests paralyzed. The growth of wealth, therefore, depends upon the rapidity of the societary circulation; not the speed with which products are transported in space, nor the frequency with which they pass from hand to hand; but the continuity of transformation through the immediate succession of actual consumption to production. This involves necessarily the concentration and interfusion of producers and consumers, the growth of wealth, and the diversification of employments."

Such being the theory, we may now compare it with the actual practice. A bushel of wheat is produced representing, let us say, a dollar's worth of mental and physical force. The consumer being close at hand, the producer re-enters on the instant upon the possession of the whole capital that had been expended. Consumers not presenting themselves, the farmer stores it in his barn, losing so much interest. A neighbor offers to carry it for him, charging interest proportioned to the time that may reasonably be supposed likely to elapse before a consumer shall be

found. A trader comes, and he now takes upon himself the burthen of carrying it, charging further interest. In this manner it passes from hand to hand and from city to city, finally finding a consumer in Lyons or Manchester, having on the road paid, in the mere form of interest, perhaps half the price at which it has at last been sold.

What is true of this single bushel is equally so of the hundreds of millions of bushels of wheat, rye, and Indian corn; of the thousands of millions of pounds of cotton; of the hundreds of thousands of hundred-weights of pork and beef, rice and tobacco, that are everywhere standing in barns, warehouses, wagons, cars, and ships, waiting the arrival of men prepared to give in exchange for them cloth, furniture, ploughs, harrows, and the thousand other commodities needed by the planters and farmers of the land. The whole constitutes a mass of petrified capital to be carried at the cost of the producer, and it is within the mark to estimate the amount so standing petrified at the present moment at five hundred millions of dollars, all of which bears interest. Turn back half a dozen years to the period of suspended animation that existed throughout the country before the war, and you will see that the amount of dead capital then carried must have greatly exceeded even a thousand millions. Can we then wonder at the high prices that, notwithstanding the wonderful gold discoveries of California and Australia, then were paid for the use of a little money by both our farmers and our planters? As I think, we cannot.

Let us now suppose that throughout the whole length and breadth of the land there had then, on the instant, sprung into existence, side by side with the producers, the number of consumers required for making an immediate market for the whole of this enormous mass, one offering in exchange personal service; another cottons; a third woollens; a fourth spades and hoes; and so on to the end of the chapter of the farmer's needs. At once, and almost as by enchantment, as in the case of the bottle of old wine made memorable by Webster's exclamation, the interest would have been stopped; the petrified capital would have sprung into life and activity; notes would have been paid; store debts would have been discharged; and the farmer would have found that instead of being dependent on the neighboring usurer for the means with which to buy sugar, tea, and coffee, he had in his hands a surplus ready to be applied to the purchase of all the machinery required for enabling him to double the produce of both his labor and his land. At what now might we estimate the gain to the community at large of this economy of capital? Most certainly the figure would be twice that of the mere saving of the 12, 15, 20, 30, or 40 per cent. to be paid throughout the country, and would represent many hundred millions. In the life of nations, as in that of individuals, it is thus, in the rapidity of circulation and consequent economy of labor and interest that we are to find the surest road to wealth and power.

The case here supposed is precisely that exhibited in every country in which the consumer and producer are near neighbors to each other. The Southern traveller in New England asks, "Where are your barns?" and finds his answer in the fact then given him, that everything yielded by the land is consumed on the instant of production. So is it around our

cities, the market gardener finding instant demand for all his products. So too, is it in Belgium and in France; and therefore is it, that in those countries capital abounds, and that the services of money can always be commanded at the lowest rates of interest.

Whence, however, it will be asked, could have come the vast amount of labor required for giving this almost instant life to the enormous amount of capital so petrified? Before answering this question allow me to ask you to look to the extraordinary waste of human power that occurs in every country of the world in which, by reason of the absence of diversity of employment, there exists no regular and steady demand for it. Taking together all the countries I have named as exporters of raw products, Russia, Ireland, Canada, Mexico, and South America, it may well be doubted if the waste of force amounts to less than five parts out of every six; and yet, each and every portion of it represents some certain amount of capital in the forms of food, clothing, and shelter, expended for the support of life. Each dollar's worth of that capital, aided by the natural forces, is certainly capable of producing twice if not even thrice the quantity expended, and when it does so the community becomes from day to day more wealthy to the extent of the entire difference. When, on the contrary, the services of the laborer are not demanded, the community is impoverished to the whole extent of the consumption. Such being the case, it is easy to comprehend why capital should be scarce and interest high in all the countries that have last been named.

Between labor and labor's products there exists the important difference, that while the latter can be preserved in the interval between production and consumption, the former cannot. The owner of capital petrified in the form of unconsumed wheat loses only interest; whereas, the owner of unconsumed labor loses capital, labor power being that one species of it which if not consumed at the moment of production is lost forever. The more instant the demand for human service, and the more rapid its circulation, the greater must therefore be the increase of power and of force, the law governing the social body being identical with that which we feel and know to govern the physical one, and which is embodied in the wish that "good digestion may wait on appetite, and health on both."

The quantity of capital petrified in the form of raw products awaiting revivification in the years anterior to the war has, as you have seen, been estimated at much more than a thousand millions of dollars. Of how it was with capital in the form of muscular force we may form some opinion from the following passage from a report of one of your charitable societies, exhibiting the state of things that here existed in December, 1855, nearly two years prior to the occurrence of the great crisis of 1857, as follows:—

"Up to the present the Association has relieved 6,622 families, containing 26,896 persons, many of whom are families of unemployed mechanics, and widows with dependent children, who cannot subsist without aid. And as the season advances the amount of destitution will increase. Last winter it was three times as great in January as in December, and did not reach its height until the close of February."

This is the type of all the reports that might, the following year, have been made throughout the whole extent of the Union. Look where we

might, men and women were seen unemployed, because mines had been abandoned; furnaces put out of blast; mills and machine shops closed; and farmers deprived of the power to make demand for labor because compelled to choose between storing their products on the one hand, or, on the other, selling them at the ruinous prices that then prevailed. Taking the whole country through, from North to South and from East to West, it may safely be asserted that two thirds of the capital daily invested in the production of human force were then being daily wasted. Estimating now the national labor power as being equivalent to that of eight millions of men, and the power of production of that labor, properly aided by machinery, at but two dollars and a-half per head, the daily loss would have amounted to thirteen millions, or \$4,000,000,000 a year. Capital in one form was thus being destroyed because other capital was standing petrified in the forms of corn, wheat, lumber, rice, and other commodities for which no market could be found; and therefore was it that, with the treasures of California at our command, money was scarce and high, and public and private credit at the lowest ebb.

Having thus shown what was the waste of interest and of that capital which took, necessarily, the form of physical and mental force, we may now for a moment look at the waste of things. The straw of France is valued at \$150,000,000; but throughout the West it is destroyed because of the absence of that market for it which arises necessarily in all communities in which employment is diversified. The manure of England is valued at £100,000,000, and near our cities manure is greatly prized; but throughout that portion of the country which sends its products to market in the rudest forms there is a constant withdrawal of the elements of fertility, the consequence of which exhibits itself in a steady decline in the powers of the soil. How enormous is the injury thus produced may be judged when it is known that more than a dozen years since it was stated, and by high authority, that our total annual waste "could not be estimated at less than the equivalent of the mineral constituents of fifteen hundred millions of bushels of corn." Well might the author of this statement exclaim, that "what with our earth butchery and our prodigality we were every year losing the elements of vitality;" and that although "our country had not yet grown feeble from this loss of life-blood, the hour was fixed when, if the existing system were continued, the last throb of the nation's heart would have ceased, and when America, Greece, and Rome would stand together among the nations of the past."

The skilled agriculturist is perpetually making a machine—utilizing material that has heretofore been unavailable for human purposes—and the sum of the utilities thus developed is found in the increased return to his labor, and in the augmented value of the land. Ploughing deeply, he enables the superficial and lower soils to combine themselves together; and the more perfect the combination, the larger is his reward. Draining his land, he enables the water to pass rapidly through it; and the result is found in large additions to his crops. At one time he raises marl with which to cover the surface; and, at another, quarries the limestone by help of which he is enabled to lighten up his heavy soils and diminish his risk, from excessive rain at one moment, or from drought at another; and in every case, the more he takes from his land the larger is the quan-

tity of manure he can return to it, *provided the market is near at hand.*

With every stage of progress in this direction, the various utilities of the raw materials of the neighborhood become more and more developed; and with each he finds an increase of wealth. The new mill requires granite, and the houses for the workmen require bricks and lumber; and now the rock of the mountain side, the clay of the river bottom, and the timber with which they have so long been covered, acquire a money value in the eyes of all around him. The granite dust of the quarry is found useful in his garden, enabling him to furnish the cabbages, the beans, the peas, and the smaller fruits for the supply of neighboring workmen. The glass-works need sand, and the glass-makers require peaches and apples; and the more numerous the men who make the glass, the greater is the facility for returning manure to the land, and increasing the crops of corn. On one hand he has a demand for potash, and on another for madder. The woollen manufacturer asks for teazles, and the maker of brooms urges him to extend the cultivation of the corn of which the brooms are made. The basket-makers, and the gunpowder manufacturers, are rival claimants for the produce of his willows; and thus does he find that diversity of employment among those around him produces diversity in the demands for his physical and intellectual powers, and for the use of the soil at the various seasons of the year; with constant augmentation in the powers of his land and in its price. Nothing, we may be well assured, grows in vain; but in order that the utility of the various products of the earth may be developed there must be association, and that there cannot be when employments are not diversified. When they are, everything is from day to day more fully utilized. The straw that would otherwise be wasted becomes paper, while shavings of the tree counteract deficiency in the supply of rags, with constant increase in the value of land, and in the rewards of those employed in developing its powers.

Directly the reverse of all this becomes obvious as the consumer is more and more removed from the producer, and as the power of association is thus diminished. The madder, the teazle, the broom corn, and the osier cease to be required; and the granite, clay, and sand continue to remain where nature had placed them. The societary circulation declines, and with that decline we witness a constantly increasing waste of the powers of man and of the great machine given by the Creator for his use. His time is wasted, because he has no choice in the employment of his land. He *must* raise wheat, or cotton, or sugar, or some other commodity of which the yield is small, and which will, therefore, bear carriage to the distant market. He neglects his fruit trees, and his potatoes are given to the hogs. He wastes his rags and his straw, because there is no paper-mill at hand. His forest-trees he destroys, that he may obtain a trifle in exchange for the ashes they thus are made to yield. His cotton-seed wastes upon the ground, or he destroys the fibre of the flax that he may sell the seed. Not only does he sell his wheat in a distant market, and thus impoverish his land, but so does he also with the very bones of the animals that have been fattened with his corn. The yield, therefore, regularly decreases in quantity, with constant increase in the risk of danger from changes of the weather, because of the necessity for dependence on a single crop; and with equally constant diminution in the powers of the man

who cultivates it, until at length he finds himself a slave not only to nature but to those of his fellow-men whose physical powers are greater than his own. That it is density of population that makes the food come from the richer soils, and thus enables men further to increase their power to command the various forces of nature, is a truth, evidence of which may be found in every page of history; and equally true is it, that in order to the cultivation of those soils there must be that development of the latent powers of man which can be found in those communities only in which employments are diversified.

Combining together the various items of waste thus far referred to, we obtain an annual amount which counts by thousands of millions of dollars, and that well accounts for the fact that capital has here been always scarce and interest high; and that we have been compelled to look abroad for aid in the establishment of communications, promising always payment for its use at prices ruinously high, and then, when bankruptcy has come, finding ourselves compelled to submit to denunciations like the so often quoted one of the Rev. Sidney Smith; and yet, it is only at the threshold of this question of waste at which we have now arrived.

We have land in abundance without the power properly or fully to cultivate it. We have timber in abundance, but need the power required for bringing it to market. We have iron ore in abundance, but are deficient in power to convert it into axes, ploughs, rails and engines; and yet in our beds of coal, vast beyond those of all Europe combined, we have an inexhaustible supply of that material, a single bushel of which is capable of doing the work of hundreds of men. Why do we not mine it? Because we need the capital required for sinking shafts and purchasing engines; and yet, in the period to which I have referred, there were more than a thousand millions of capital standing petrified at the expense of its producers, and we were wasting daily millions of that labor-capital whose application in this direction would have added so largely to the national wealth. How wonderful is the addition that may thus be made, has well been shown in the results so recently attained in California, and still more recently in the oil regions of Pennsylvania and the adjacent States. Greatly more wonderful than both of these combined must have been the effects that would have resulted from the application to the development of our marvellous and almost universal resources in coal and ores of even so small a proportion as a single fifth of the labor capital that was being wasted on each and every day of the sad years to which I have referred—the years in which we paved the way for the leaders of the secession movement. To estimate the annual addition that would, in that quarter a one, and by means of that comparatively small economy, have been made to the national wealth, at \$1,000,000,000, would be to remain very far indeed within the truth.

Failing to develop our mineral wealth we are led necessarily to a waste of the mental power for whose development we make such large expenditures on schools and colleges. Among the seven and thirty millions of whom the population of the Union is now composed, the variety of minds is on a par with the variety of faces, each and every one being better suited for some one occupation than for any other. To enable each to find that place in which he may most fully contribute to the growth of

wealth and power, and to the promotion of the societary interests, there needs to be that diversification of pursuits which never can arise in a country that exports its products in the rudest state. In all such countries, the round man finds himself placed in the square hole, and the square man in the round one, each thus deprived of power to contribute his proper share to the advancement of the community of which he is a part. More than at almost any period of our history was this to be seen at the period of which I speak; and, as a necessary consequence, the proportion borne by non-producers, middlemen of every description, to producers was greater than in probably any other country claiming to rank as civilized. For want of the capital that then remained inert and useless, bearing interest at the cost of its producers, the mill, the mine, and the furnace were closed, and those who should have been furnishing for consumption all the various products of the earth found themselves compelled to become clerks and traders, lawyers and doctors, the claimants on the things produced, thus increasing in number precisely as production diminished.

The power of accumulation, whether in the physical or social body, exists in the ratio of the rapidity of circulation. The circulation at the time of which I speak was sluggish in the extreme, and hence it was that, notwithstanding the vast receipts from California mines, capital was petrified, credit was impaired, and the rate of interest throughout the West great, as I believe, beyond all previous precedent. In the history of the civilized world there can, as I think, be found no parallel to the waste of physical and mental force that then was taking place. Seeing this, I then told my friends that the tariff of 1846 was costing the country not less than \$3,000,000,000 a year, but am now satisfied that I should have been much nearer the truth had I placed it at double that amount.

That waste, so far particularly as the 20,000,000 of the population of the Free States were concerned, was at its height throughout the whole period of Mr. BUCHANAN's administration. For the products of their agriculture there was almost literally no demand among the manufacturing nations of Europe, our exports of food in that direction in the three years that preceded the secession movement having averaged but \$10,000,000. Corn in the West was then being used for fuel, and thus was its producer compelled to lose not only the interest upon his capital, but the very capital itself that he had thus invested. Labor power was in excess, and men were everywhere wandering in search for such employment as would enable them to purchase food. Mills and furnaces were abandoned, and so trivial was the domestic intercourse that the stock of a number of the most important roads of the country fell to, and long remained at, an average price of less than fifty per cent. For years we had been trying the experiment as to how the large outlay of labor could be made for the accomplishment of any given result, an experiment directly the opposite of that which is tried by every successful producer of corn or cotton, cloth or iron; the effect exhibiting itself in the fact, that the community was paralyzed, and so wholly destitute of force that had the government then found occasion to call upon the whole 32,000,000 for a sum so small as even a single hundred millions, it could scarcely have at all been furnished.

Nevertheless, hardly had Mr. BUCHANAN left the seat of government when three-fifths of the nation, numbering but 20,000,000, commenced the erection of the grandest monument the world has ever seen; one that during the whole five years that has since elapsed has, on an average, required the service of more than a million of men, or more than five per cent of the total population, male and female, sick and well, young and old. Not only have those services been given, but during all that time the men employed have been well clothed, abundantly fed, and furnished with transportation to an extent, and in a perfection, unparalleled in the history of the world. With them, too, have been carried all the materials required for making the edifice in whose construction they were engaged as durable as we know to have been the great pyramids erected by Egyptian monarchs. A wonderful work was it to undertake. More wonderful is it to see that it has been so soon and so well accomplished, to stand in all the future as the monument par excellence of human power.

Whence came the extraordinary force that we see to have been thus exerted? How was it that a people which in 1860 had been so very feeble could, in the succeeding years, have made donations to the extraordinary extent of thousands and millions of dollars a year? The answer to this question is found in the fact that the conditions of national existence had wholly changed, activity and life having succeeded to paralysis, and the society circulation having become strong and vigorous to an extent that had never before in any community been known. For the first time there was presented for examination a nation in which the demand for labor and all its products went ahead of the supply, enabling both farmer and planter to "stop the interest" upon capital that had so long been petrified in the crudest forms of agricultural production, and thus to enable them to make demand for the products of other labor applied to the development of our mineral wealth, and to the conversion into commodities fitted for human use, of the products of our hills and valleys, our farms and mines. The secret, gentlemen, of all the force that recently has been so well exerted—a force so extraordinary as to have astonished the world at large—is to be found in that simple principle to which I already have referred, evidence of whose truth is found in the books of every trader of your great city, and which is found embodied in words already given—the power of accumulation exists in the ratio of the rapidity of circulation.

What however was the force applied? Why was it that activity had so instantaneously succeeded to apathy—that life and energy had replaced the paralysis that had till then existed? Had these questions been put a year since, nine-tenths of our people would have said that it had been caused by the demands of the government and must terminate with their cessation; and yet, of all the vast body of men who might thus have answered there could not have been found even a single one who could have explained now the abstraction from other pursuits of the labor of a million of men, and the necessity for feeding and clothing them while engaged in the erection of such a monument as that of which I have spoken, could, by any possibility, have produced the extraordinary effects that have been here observed.

To attribute the activity and life then existing to the government demands is to substitute effect for cause. It was the force resulting from an activity of circulation wholly unprecedented in history that enabled the government to make the war, and that force existed in despite, and *not* as a consequence, of government necessities. That such was certainly the fact will, as I think, be clearly obvious when you shall reflect, that but for those necessities the whole million of men employed in building our great monument might have been employed in clearing land, sinking shafts, mining coal and ores, and combining the two in the forms of lead, copper and iron; making bricks and lumber, and thus furnishing supplies of raw materials to be converted on the spot into thousands of mills and shops, large and small, and into the cloth and iron, spades and shovels, coats and hats, required for supplying a population among whom the demand for mental and physical force so far exceeded the supply as to make it absolutely necessary to build engines by tens of thousands, and thus to substitute, to the annual extent of the power of tens of millions of men, the wonderful force of steam for that of the human arm. So applied, that same force would have produced annually of commodities in excess of what has been our actual production, at least \$3,000,000,000, every portion of which would have been in the market seeking to purchase labor, thus greatly increasing the laborer's reward. The power of accumulation would, under such circumstances, have been more than trebly great, with steady decline in the rate of interest, and in the power of the capitalist to control the laborer's movements; freedom, wealth, power, and civilization, always growing with the growth of power to place the consumer by the side of the producer, and thus to increase the rapidity of the societary circulation.

That the wonderful activity of that circulation did not result from the necessities of the Government will, as I think, be clear to all who carefully reflect on the facts above presented. Whence, then, came it? From the adoption at Chicago, six years since, by the great Republican party, of a resolution to the effect that the produce of the farm should no longer be compelled to remain inert and losing interest while waiting demand in distant markets; that the capital which daily took the form of labor power should no longer there remain to be a mere support for foreign rails; that the power which lay then petrified in the form of coal should everywhere be brought to aid the human arm; that our vast deposits of iron ore should be made to take the form of engines and other machinery to be used as substitutes for mere muscular force; and that all our wonderful resources, material and moral, must and should be at once developed. Such, gentlemen, was the intent and meaning of the brief resolution then and there adopted, to be at the earliest practicable moment ratified by Congress, as proved to be the case when the Morrill Tariff, on the memorable 2d of March, 1861, was made the law of the land. To that law, aided as it was by the admirable action of the Treasury in supplying machinery of circulation, we stand now indebted for the fact that we have, in the short space of five years, and at a cost of thousands of millions of dollars, erected the wonderful monument of which I have spoken; that we have, in those same years, produced more food, built more houses and mills, opened more mines, constructed more roads than ever before;

and so greatly added to the wealth of the country that the property of the loyal States would this day exchange for twice the quantity of gold than could five years since have been obtained for all the real and personal property, southern chattels excepted, of the whole of the States and territories of which the Union stands composed.

Adding now together the capital paralyzed in the manner above described, and that which was absolutely wasted in the period of Mr. Buchanan's administration, we obtain an amount thrice greater than would, had it been so applied, have built and stocked as many mills as are in all Great Britain employed in the conversion of wool and cotton into cloth—as many furnaces as there are occupied in converting coal and ore into lead, copper, and iron—and as many mills as are now engaged in producing bars; to sink as many shafts as would have been required for giving to human labor all the aid that there is seen to result from a consumption of coal which is said to furnish power to an extent equivalent to that of six hundred millions of men; and to double the quantity and money value of our various products, to the great advantage of all our people, borrowers and lenders, employers and workmen, traders and manufacturers, builders of railroads and owners of ships, there being a perfect harmony of all real and permanent interests. A part, and but a small part, of that capital has, by means of a National Free Trade System, since been saved; and it is out of the saving that has thus been brought about that we have been enabled to give to the great work above referred to labor and commodities equal in their annual money value to the vast sum of \$1,000,000,000.

In proof of the accuracy of the views above presented, I propose now to offer for your consideration a very brief review of our industrial history for the last half century, as follows:—

Half a century since, the second war with Great Britain came to a close, leaving our people well provided with mills and furnaces, all of which were actively engaged in making demand for labor and raw materials of every kind. Money was then abundant, labor was in demand, wages were high, and the public debt was trivial in amount.

Two years later came the system which looked to increasing our dependence on foreign markets and known as the British Free Trade one, and at once all was changed. Mills and furnaces were closed; labor ceased to be in demand; and poor-houses were everywhere filled. Money becoming scarce and interest high, land declined to a third of its previous price. Banks stopped payment. The sheriff everywhere found full demand for all his time, and mortgagees entered everywhere into possession. The rich were made richer, but the farmer and the mechanic, and all but the very rich, were ruined. Trivial as were then the expenses of the Government, the Treasury could not meet them. Such was the state of things that induced General Jackson to ask the question, "Where has the American farmer a market for his surplus produce?" The answer thereto, as given by himself, is so applicable to the present time that I give it here as proper to be read, daily and weekly, by every lover of his country throughout the Union:—

"Except for cotton, he has neither a foreign nor a home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture, and that the channels of labor should be multiplied? Common sense at once points out the remedy. Draw from agriculture the

superabundant labor, employ it in mechanism and manufacture, thereby creating a home market for your breadstuffs, and distributing labor to a most profitable account, and benefits to the country will result. Take from agriculture in the United States six hundred thousand men, women, and children, and you at once give a home market for more breadstuffs than all Europe now furnishes us. In short, we have been too long subject to the policy of the British merchants. It is time we should become a little more Americanized, and, instead of feeding the paupers and laborers of Europe, feed our own, or else in a short time, by continuing our present policy, we shall become paupers ourselves."

To the state of things here described were we, in 1828, indebted for the first adoption of a National Free Trade System. Almost from the moment of the passage of the tariff act of that year, activity and life took the place of the palsy that previously had existed. Furnaces and mills were built; labor came into demand; immigration increased, and so large became the demand for the products of the farm that our markets scarcely felt the effects of changes which then occurred in that of England; the public revenue grew with such rapidity that it became necessary to exempt from duty tea, coffee, and many other articles; and the public debt was finally extinguished.

The history of the world to that moment presents no case of prosperity so universal as that which here existed at the date of the repeal of the great national tariff of 1828. Had it been maintained in existence, not only should we have no secession war, but at this hour the South would exhibit a state of society in which the landowners had become rich while their slaves had been gradually becoming free, with profit to themselves, to their owners, and to the nation at large. It was, however, by successive stages, repealed in 1834, 1836, and following years, that repeal being accompanied by a constant succession of free trade crises, the whole ending in 1842 in a state of things directly the reverse of that above described. Mills and furnaces were closed; mechanics were starving; money was scarce and dear; land had fallen to half its previous price; the sheriff was everywhere at work; banks were in a state of suspension; States repudiated payment of their debts; the Treasury, unable to borrow at home even a single million at any rate of interest, was compelled to solicit credit at the doors of all the great banking houses of Europe, and to submit to finding that credit denied; and bankruptcy among merchants and traders was so universal that Congress found itself compelled soon after to pass a bankrupt law.*

Again, and for the third time, was the National System restored by the passage of the Tariff Act of 1842. Under it, in less than five years, the production of iron rose from 220,000 to 800,000 tons; and so universal

*On the 12th of January, 1843, Mr. Walter Forward, then Secretary of the Treasury, reported to Congress the result of negotiations for a loan of \$3,500,000; which negotiations were begun in April, 1842. But two bids had been made for this loan, one of 50,000 and one of 60,000 dollars: both at 96 per cent., for a six per cent., twenty years' stock. The Secretary, in a special report to Congress, said: "The repeated failures incurred in negotiating at home upon advantageous or creditable terms suggested the policy of sending an agent abroad for the purpose of endeavoring to effect a favorable negotiation in England or upon the Continent. Accordingly a gentleman of the highest consideration for intelligence and integrity was selected for the purpose, and left the United States in July last. I regret to communicate that he has since returned without effecting the object of his mission."—N. A. Review, Jan. 1865.

became the prosperity that, large as was the increase, it was wholly insufficient to meet the great demand. Mines were everywhere being sunk. Mills were everywhere being built. Money was so abundant and cheap that the sheriff found but little work to do. Public and private revenues were great beyond all previous precedent, and throughout the land there reigned a prosperity more universal than had, in the whole history of the world, ever before been known.

Once more, 1846, however, did the Serpent—properly represented on that occasion by British free traders—make his way into Paradise, and now a dozen years elapsed in the course of which, notwithstanding the discovery of California mines, money commanded a rate of interest higher as I believe, than had ever been known in the country for so long a period of time. British iron and cloth came in and gold went out, and with each successive day the dependence of our farmers on foreign markets became more complete. With 1857 came the culmination of the system, merchants and manufacturers being ruined: banks being compelled to suspend payment; and the treasury being reduced to a condition of bankruptcy nearly approaching that which had existed at the close of the free trade periods commencing in 1817 and 1834. In the three years that followed labor was everywhere in excess; wages was low: immigration fell below the point at which it had stood twenty years before; the home market for food diminished, and the foreign one proved so utterly worthless that the annual export to all the manufacturing nations of Europe, as has been already shown, amounted to but little more than \$10,000,000.

Why was this? Why had not the foreign demand for food grown with the growth of our dependence on foreigners for cloth and iron? Because the British Free Trade System is in truth and in fact a monopoly one! Because it is based on the idea of stimulating competition for the sale of labor and thus enslaving the laborer; stimulating competition for the sale of the fruits of the earth, and thus enslaving every community that refuses to resist it!* At the moment of which I speak, notwithstanding the vast supplies of Californian and Australian gold, the money value of British labor had, on the average, scarcely at all increased, while foreign competition for the supply of food to the diminutive British market had reduced its price to a lower point than, as I believe, it had reached for half a century before.

The rebellion came, finding our people unemployed, public and private revenues declining, the Treasury empty, and the public credit greatly impaired. With it, however, came the power once again, and for the fourth time, to obtain a re establishment of that National System required for protection of the men who had food and labor for which they needed to find a market. That protection has now endured for less than five years, and yet, as has been shown, so marvellous have been its effects that while it has enabled us to give to the government four

* Of the amount paid by the British people for sugar, tea, coffee, and tobacco, not even one-eighth part reaches the poor people who produce those articles. The other seven-eighths are divided between the government and the middlemen, the former taking little short of a hundred million of dollars. This it is that is called free trade! Under it the producer of cloth finds himself deprived of the power to buy sugar, while the sugar producer goes naked because unable to buy himself a shirt.

thousand millions of dollars, it has so largely added to the value of land and labor that, notwithstanding the destruction of property in the South the nation, as a whole, is this day almost twice as rich as it had been before.

The history of the period thus reviewed may now more briefly thus be stated :

The National Free Trade System, as established in 1818, 1828, 1842, gave, as that of 1861 is now prepared to give, to its British Monopoly successor:

Great demand for labor.

Wages high and money cheap.

Public and private revenues large.

Immigration great and steadily increasing.

Public and private prosperity great beyond all previous precedent.

Growing national independence.

The British Monopoly System, as established in 1817, 1834, 1846, and 1857, bequeathed to its successor :

Labor everywhere seeking to be employed.

Wages low and money high.

Public and private revenues small and steadily decreasing.

Immigration declining.

Public and private bankruptcy nearly universal.

Growing national dependence.

Such is the history of the past. Let our people study it and they will, as I think, understand the causes of the prosperity of the present. That done, let them determine for themselves whether to go forward in the direction of individual and national independence, or in that of growing dependence, both national and individual.

THE TRADER who studies it can scarcely fail to see that the more active the capital of the country, the greater the variety of pursuits, and the greater the demand for human service, the larger must be production; the greater must be the quantity of things to be exchanged; the less must be the necessity for resorting to trade as affording almost the only means of support; the less must be the competition among traders themselves; and the greater the probability of his securing independence for his children and himself.

THE MERCHANT can scarcely fail to see that the greater the diversification of pursuits among our people and the more we finish our products so as to fit them for consumption, the greater must be the variety of commodities with which to supply the world; the greater our demand for the products of distant countries; and the more numerous the markets open to his operations whether as a seller or a buyer.

THE SHIPOWNER can scarcely fail to see—

I. That the larger the demand for labor the greater must be the immigration of men who have labor to sell, and the greater the demand for ships.

II. That the more active the capital of the country the lower must be the average rate of interest, and the greater his power to compete with owners of foreign ships :

III. That the more active that capital the more numerous will be the finished commodities to be carried abroad; the greater the number of markets to which he can send his ships; and the greater the demand for sugar, tea, coffee, and raw materials of manufactures, products of countries which have no ships :

IV. That, on the contrary, the more sluggish that capital the higher

must be the rate of interest; the more must we be limited to the export of raw produce; the fewer must be our markets; and the more he must find himself compelled to compete with the low rates of interest, and the low wages paid by owners of British and German ships:

V. That since the introduction of steam the question of navigation has become, and must from day to day more become, a mere question of the rate at which capital can be supplied; and, that if we are ever to resume upon the ocean the place so lately occupied, it can be only as a consequence of the pursuit of a policy tending towards bringing the consumer and the producer together, thereby quickening the motion of capital in the forms of food and of mental and muscular force, and thus promoting accumulation.

THE RAILROAD KING can scarcely fail to see—

I. That the more rapid the societary circulation the greater must be the quantity of men and things needing to be carried:

II. That the more rapid the development of our great mineral deposits, the greater must become the general supply of iron, and the more the tendency to fall in price:

III. That all experience tends to furnish evidence of the facts that foreign iron is always low in price when American iron-masters are prosperous, and always high when American furnaces are out of blast:

IV. That, as a consequence, American railroads have always prospered when the internal commerce was rapidly growing; and have been always greatly depressed when in obedience to the orders of foreign traders that commerce has been sacrificed.

THE LANDOWNER can scarcely fail to see, that when capital is active interest is low and labor is in great demand; and that then it is that foreign capital and foreign labor tend, to his great advantage, here to seek employment.

THE FARMER can scarcely fail to see, that the greater the home consumption of his products the less must he be compelled to compete in England with the agricultural nations of Europe; the higher must be prices in that regulating market; and the higher must be those of the great domestic one.

THE MANUFACTURER of the East can scarcely fail to see, that the more our mineral resources are developed, and the more the people of the South and West give themselves to the production of the coarser kinds of cloth the greater must be the demand upon them for those more profitable of a higher order.

THE BANKER can scarcely fail to see, that all our financial crises, and all the losses thence resulting, have occurred in British free trade times; and that all that is needed for securing us against their recurrence in the future is the thorough adoption of a policy tending to promote rapidity in the societary circulation.

THE PHILANTHROPIST can scarcely fail to see, that the more rapid the circulation the greater must be the tendency towards improvement in the condition of the laborer, black or white.

THE FINANCE MINISTER can scarcely fail to see, that the power permanently to contribute to the support of government has always existed and must necessarily exist, in the direct ratio of the rapidity of that circulation.

THE BONDHOLDER can scarcely fail to see, that repudiation has always come as a consequence of an arrest of the circulation, and that perfect security for his children and himself can be found in one direction, and one alone; that which leads to more perfect combination among our people as a consequence of bringing the consumer and producer more and more near together.

THE ECONOMIST can scarcely fail to see, that the British free trader seeks to place himself between all the producers and consumers in the world, and to enrich himself at their expense; and that the real road to national wealth and power lies in the direction of resistance to that system.

THE STATESMAN can scarcely fail to see, that our periods of national weakness have been always those in which consumers and producers have been becoming more widely separated, while our periods of strength have been those in which we have had a National System; as when, thirty years since, by aid of the tariff of 1828, we finally extinguished the national debt; as when twenty years since, by aid of the tariff of 1842, we resumed the payment of interest on our foreign debt; and as now, when we have just completed the erection of the greatest and most costly monument the world has ever seen, or perhaps will ever see.

THE MAN in whom there exists any feeling of national pride can hardly fail to see, that the one great obstacle standing in the way of the permanent establishment of a sound National System has been the opposition of foreigners, and of that people especially which has recently been most active and most untiring in its effort to aid the South in breaking up the Union.

THE WHOLE PEOPLE can scarcely fail to see, that human force, mental and muscular, is the commodity which all have to sell; that it exhausts itself on the instant of production; that the more instant the demand for it the more is it economized, the greater is the power of production, the higher the rate of wages, the greater the power of accumulation, the lower the rate of interest, and the greater the tendency towards freedom and peace, both at home and abroad.

THE CHRISTIAN can scarcely fail to see, that the policy which tends towards increase in the rapidity of the circulation tends necessarily towards increasing the reward of labor and effecting an improvement in the condition, material, and moral, of the laborer; and that in advocating it he is aiding towards carrying into practical effect the great precept which lies at the foundation of Christianity, **ALL THINGS, WHATSOEVER YE WOULD THAT MEN SHOULD DO TO YOU, DO YE EVEN SO TO THEM.**

The views thus presented differ widely from those taught to the world by that English school which holds that "the smuggler is the great reformer of the age;" and by those of its disciples who have recently throughout our southern coast carried their theories into practical effect. The cause of difference is to be found in this, that while the policy urged by it upon the outer world is directly the reverse of what is practised by every Manchester manufacturer, that National Free Trade policy to which we owe our recent great success and our present prosperity is in full accordance with the practice of every successful mechanic, manufacturer, and agriculturist, throughout the civilized world. What is it that these latter desire? Is it

not to economize human service? To that end are they not | refuse in the application of food and clothing to the creation of machinery, thereby substituting the *products* of labor and capital for labor itself? Does not capital everywhere grow in the direct ratio of that substitution, and does not that growth make new demands for human labor, with constant tendency towards increased production, increase of wages, and increased ability to make still further substitution of capital for labor? To these questions there can be no reply but in the affirmative.

Nevertheless, when we study the writings of British economists we find them filled with advice in reference to the saving of *products* in the form of money, leaving wholly out of view that *labor* is economized in the direct ratio of the rapid consumption of its products. Say to them that the waste labor of Ireland in a single year would more than suffice to give to the Irish nation mills and machinery for the conversion of all the cotton produced in America, and they reply by saying, that Manchester furnishes shirts to the Irish laborer more cheaply than could be done by men who should employ Irish labor and Irish fuel in making cloth for Irish wear. Prove to them, on the highest free trade authority, that in those parts of Russia in which employments are not diversified the condition of the free laborer is worse than that of the serf, and they ask your attention to the low price at which they supply coats and hats. Show them, as I myself did, some years since, to Mr. Cobden, that we were steadily giving more and more food and cotton in exchange for less and less gold, tin, copper, and iron, and they will reply, as he did to me, by asking, "Do we not now furnish iron cheaply enough to satisfy you?"

Talk with an American disciple of that school, of the pauperism that has always here existed in the British Monopoly times, and he replies, as recently was done by one of your own high authorities, by an essay on the high price of steel pens! Tell him that of all labor-saving machinery the precious metals are the greatest, and then invite his attention to the enormous price paid for their use throughout the whole period of Mr. Buchanan's administration and he will be likely to answer by showing at how low a price Britain had been willing to supply with cloth people who, unable to sell their labor, could scarcely purchase food! Need we then wonder that by that school the science of political economy has recently been so reduced in its proportions that it is now limited to the consideration of the mere acts of buying cheaply and selling dearly, having thus become a sort of shop-keeping science, the natural product of a policy that so long has tended, to use the words of Adam Smith, to the creation of a "nation of mere shop-keepers?" Scarcely so, as I think.

The one commodity, as we know, that all men have to sell is muscular and mental force, and that must be sold on the instant, or it is forever lost. The Irish people, on an average, waste nine-tenths of it, and while they shall continue so to do Ireland must remain in the pitiable condition in which she stands now before the world. Under the administration of Mr. Buchanan two thirds of it were wasted here, and to that waste were we indebted for the pauperism of our people and the weakness of the government five years since. To the economy of it that resulted from the adoption of a National Free Trade System, and to that alone, do we stand to-day indebted for the wonderful changes we since have seen; and yet,

strange to say, you have among you men of both intelligence and influence who are urging upon the country a return to that British Monopoly System which, under the mask of free trade, has not only paralyzed us on every occasion on which we have been subjected to it, but has ruined every friend that Britain has ever had, and every country that she has so long controlled as to give to it opportunity for proving the full extent of its capacity for mischief.

The world has been always word-governed, and so it is now, the word most in use for that purpose being that to which reference has above been made, to wit, "free trade." Such being the case, it may not be amiss here to inquire what it is that, as used, it really means. To that end let us examine the movements of the people here around us, and ascertain who among them it is that enjoy the most perfect freedom of trade; thus, in accordance with the true method of science, studying the near with a view to proper comprehension of the distant. Doing this, we shall be sure to find it among those who have the most direct relation with the consumers of their products. Take, for instance, the *Times*, *Tribune*, *Herald*, and *Post*, and see how entirely impossible it would be for any person or persons in any manner to control, to his own profit, their course of action. Ask their editors, and you will soon learn how fully they appreciate the fact that their success in the present and in the future is dependent wholly on themselves, and cannot be seriously affected by any outside action. Retailing the services of their journals, and the journal itself, their owners suffer little, if at all, at a time of crisis, nor do they ever figure among the creditors of bankrupts. Look, I pray you, throughout your city and see if you can elsewhere find any producing interest that is so entirely independent. As I think you cannot.

Take next those printers who, like the Messrs. Harper, make and sell their own books, and you will find a state of things precisely similar. All that they need, as they well know, is good judgment in the selection of books, good taste in their manufacture, and sound discretion in the mode of bringing them to the knowledge and within the reach of the public.

Compare now with them the printer who works for publishers, the maker of printing paper, and the binder of books, and you will find a state of things most widely different. Perfectly familiar, throughout a large portion of my life, with everything connected with both paper and books, I can safely say that I know of scarcely any pursuits in which those engaged have been more dependent on the will of others, in which so few have accumulated fortunes, or in which there has existed less real freedom of trade. To what now is this to be attributed? To the simple fact that all the products of the labors of these men are required to pass through the hands of middle men before they can reach the public. In common with all others, those middle-men rejoice when the demand for paper diminishes; when the raw materials of books accumulate; and when the necessities of their producers force them to sell at prices that yield no profit, and at credits so prolonged as to involve in risk of ruin all who are compelled to give them. The nearest approach to serfdom that I know to exist in civilized life is that of the men who are engaged in departments of manufacture whose products have yet to pass through several hands before they can reach those of the consumer.

Precisely so is it with nations. France finishes all her products, combining food, wool, and silk, and enabling the compounds readily to reach every country, every city, and every village of the world. Of all countries there is, therefore, none so independent. Hostile tariffs scarcely affect at all her commerce. Short crops, or wars abroad, affect her least; and for the reasons that her market is everywhere, and that such occurrences in one country find, to a great extent, their compensation in another. Her position in relation to the world at large is, therefore, precisely that of the proprietors of your journals. So long as both shall continue to furnish commodities better fitted than any other to meet the wants, or to gratify the tastes, of consumers, no laws that can be anywhere enacted can prevent them from supplying their accustomed markets.

Directly the reverse of this is what we find in those countries which export raw products. For them there is no market except in those countries which possess machinery of manufacture, wheat not being needed where there are no flour mills, nor cotton where there is none of the machinery required for spinning and weaving it. They *must* go where they *can*, and not where they would, their position being, therefore, precisely that of the printers and paper-makers above described. Thus limited in their markets they find themselves subjected to the will of those by whom these latter are controlled, by all of whom it is well known that the way to cheapen the commodities they need to purchase is to be found in working short time, diminishing the supply of money, and raising the rate of interest. In this manner are the people of all the countries that export raw produce kept in a state of dependence and made mere "hewers of wood and drawers of water," for men whose profits grow as theirs decline; and this is urged upon them by England as being a real freedom of trade. The day may come, and I cannot but hope that it soon will do so, when it shall be understood that its real meaning is monopoly; that the real free traders are those who advocate the National Free Trade System; that the road to civilization lies in the direction of that diversified industry which tends to bring the consumers into close relation with the producers; and that the raising of raw products for foreign markets is the proper employment of the barbarian and the slave, and of those alone.

Of all the communities that have at any time existed none has ever had in its hands so much power for good or evil as now is held by the one of which we are a part. With natural resources great almost beyond imagination we need only the labor and the capital required for their full development. For the one we do not need to look beyond those vast deposits of petrified power which lie beneath the soil, a single bushel taken from which is capable of doing the work of hundreds of men. Of the other, the supply will be found in vast abundance whenever the nation shall come to learn, first, that corn and cotton unconsumed are so much dormant capital waiting only consumption to spring once more into activity and life; and, second, that labor power, mental and muscular, is so much capital that perishes on the instant of its production, and if not then consumed is lost forever.

We do not, therefore, need to seek abroad supplies of either capital or labor. Both, however, abound in various countries of Europe, and have always proved ready to come to us when we have pursued a policy tending

to economize labor, to increase the supply of capital, and thus to lower the rate of interest—the immigration of both having largely grown under the National Free Trade policy of 1828, 1842, and 1861; and that of both having declined under the British Monopoly System established by the tariffs of 1834, 1846, and 1857. The more productive labor here the greater then must be the tendency towards emigration from Europe, and towards elevation of the laborer there. The greater the accumulation of capital and the more perfect the national and individual credit here, the greater must be the tendency towards export of European capital, and reduction of the rate of interest here. For the production of such results, beneficial to the world at large, we need but steadily to pursue that course which most stimulates the societary circulation; that one which tends most to enable the farmer and the planter to “stop the interest” on their products, and the laborer to find instant demand for the power he has to sell.

Such are OUR RESOURCES. Infinite in their extent, it is to their development thus far accomplished under the National Free Trade System that we have been indebted for our passage through a trial extraordinary far beyond any to which any nation of the world had before been subjected. The work, however, has but just begun. Let us continue onward in the same direction, and we shall find that the capital invested in the great monument of which I have spoken has proved as good an investment as that of the New York canals, the result of its erection having been that of giving to the loyal States the power to make themselves, and for the first time, really independent; as has already been the case to an extent that five years since could not have been anticipated. Let us so continue, and we shall find that the annual addition to the national capital, by means of labor and interest saved by individuals, will soon be fifty-fold greater than the amount of interest required to be paid from the treasury of the Government by which those individuals are represented.

In conclusion, allow me to ask your attention to the great fact that commercial power has always gone hand in hand with that diversification of pursuits which has everywhere resulted from measures tending to the promotion of internal commerce. Athens, with her miners and manufacturers, governed the Grecian world. Carthage, largely manufacturing, controlled the commerce of half the then known world. Holland was mistress of the commercial world in those days when the people of the Rhine cities could boast, “that they bought of the stupid Englishman skins at sixpence and paid for them in tails at a shilling.” England, wiser-grown, now does the same by us, and she it is that now controls the commercial world outside of Europe, leaving to industrial France the management of Europe itself. Such is the lesson taught by history, and we must now profit by it or abandon forever the hope of occupying the proud position to which our natural resources so well entitle us. To it we never can attain so long as we shall continue to sell, as we so long have sold, whole skins for sixpence accepting pay in tails at a shilling each. This is *not* the road towards civilization, power, and influence. That it is the one which leads to barbarism, weakness, and dependence, is proved by the experience of all communities that have travelled on it; and by none more thoroughly than our own. Should proof of this now be needed, let me ask you to study the present condition of the prostrate South, and see how readily the great

Cotton King has been dethroned by the United efforts of the hammer, the spindle, and the loom. That done, turn your eyes to the West and study the recent prostration of almost the whole people of the great Mississippi Valley before a few insignificant capitalists, who are thus to be propitiated into giving to their obedient slaves an additional road to the British market. Those who desire to command the respect of others must learn first to respect themselves; and that our people can never do until they shall first have learned that the road towards wealth and strength has, in all nations, and at all ages, been found to lie in the direction of bringing the plough, the loom, the anvil, and the ship to work in harmony with each other. Let them, gentlemen, once learn thoroughly that great lesson, and then, but not till then, shall we be enabled to control and direct the commerce of the world.

COMMERCIAL LAW.—NO. 29.

MARINE INSURANCE.

(Continued from page 429, vol. 53.)

COLLISION.

Collision is a peril of the sea which may deserve especial notice. In the chapter on shipping, it has been stated that, where a collision is caused by the fault of one of the ships, the ship in fault sustains the whole loss; that is, it must bear its own loss, and must indemnify the other ship for the injury that ship sustains. It has been held that the insurers of the ship in fault are liable for the whole of this loss, because it is all caused by collision, which is a peril of the sea. But the Supreme Court of the United States have recently decided that the insurers are not held for more than the loss *directly* sustained by the ship they insure, that is, *not* for the amount that ship pays to the other ship for injury done to it; because they neither insure the ship not in fault, nor do they insure the owners of the ship in fault against a mere indebtedness which is cast upon them by the negligence of their servants; for negligence can never be the ground of a claim, although it may be no defence against a claim arising from a peril insured against. This view has been adopted and emphatically approved by the Court of Appeals of New York, reversing a decision of the Supreme Court; and this rule now rests on the weight of authority. The question is one of some difficulty; but, upon the whole, we think the rule as now established by the Supreme Court of the Union, and the highest court of our principal mercantile State, rests on the better reason.

The Supreme Court of the United States once confirmed a decision of the Circuit Court for the First Circuit, to the effect, that, where a collision takes place without fault, in a port of which the local law divides the whole loss, (therein opposing the general maritime law,) the insurers of a vessel the owners of which, by this law, were made to pay a large sum beyond their own injury, were liable for it. But this case was exactly opposed to a contemporary decision in the Court of Queen's Bench in England; and its authority has certainly been shaken by the recent decision of the Supreme Court of the United States.

FIRE.

This peril also must come under the common rule, that the insurers

will not be held unless it be caused by something extraordinary, and not belonging to the inherent qualities of the thing which takes fire.

The master and crew may burn a ship and cargo, to prevent their capture by an enemy, for this is their duty to the state; and therefore it would seem that the insurers would be liable for such a destruction by fire, although their policy expressly exempted them from liability for loss by capture, or by war risks generally.

The insurers would be held also for any direct and immediate consequences of the fire; and for loss caused by the endeavor to extinguish it; and, perhaps, for all loss or expense that arose from, or was due to, honest and reasonable efforts to prevent it. It is, indeed, a general rule, that the insurers are liable for the loss or injury which is the natural, direct, and proximate effect of any peril insured against, although the loss itself may be only the effect of a preceding loss; as, if a part of the cargo was burned up, and another part was injured by water used to arrest the fire, the insurers would be liable for both parts.

PIRACY, ROBBERY, OR THEFT.

There can be no piracy or robbery, without violence; but this is not necessary to constitute the crime of theft. Piracy and robbery are most usually committed by strangers to the ship; they may, however, be committed by the crew; and the insurers are answerable for such a loss, unless it arose from the fault of the owner. If theft be committed by the crew, we should still hold those who insured against "theft" liable. This may be doubtful; but insurers regard it as at least possible, and provide against it by the phrase "assailing thieves." This excludes theft without violence, and perhaps all theft by those lawfully on board the vessel, as a part of the ship's company. If, after shipwreck, the property is stolen, the insurers are liable, and might perhaps be so if there were no insurance against theft, if this was a direct effect of the wrecking.

BARRATRY.

This word has given rise to much discussion, and its meaning may not be now positively determined. We understand by it, however, any wrongful act of the master, officers or crew, as any fraud, cheat or trick done by them, or either of them, against the owner. If he directed the act, or consented to it, or by his negligence or default caused it—whether he were actual owner, or apparent or temporary owner by hiring the vessel—it is no barratry. But it is not necessary that it should be done with an intention hostile to him. For an act otherwise barratrous would be none the less so because the committer of it supposed it would be for the advantage of the owner. So, too, the voluntary and unnecessary encounter of any extraordinary peril, although done from a belief that it would be advantageous to the owner, would be a barratrous act; and of course it would be if done by the master for his own benefit. Mere negligence, if gross and extreme, may be barratrous, even if there be no purpose of helping or of hurting any one. And, indeed, the mere not doing of an act may be barratrous, if thereby an injury was sustained which might have been prevented by a proper and reasonable resistance, and therefore should have been so prevented.

It must be an act *against* the owners. Therefore, if the master be a

part owner, he cannot commit barratry. Nor will any act of a master be barratrous which is done by him as supercargo, consignee or factor, or in any capacity or function whatever other than that of master.

Not only is an apparent owner's consent to an act destructive of its barratrous character, but his consent will have this effect, and, on the other hand, the legal owner's will not. Thus, if there be an apparent or temporary owner, as a charterer who loads and sails her, the master, however, being appointed by the actual owner; if this master commits an act of barratry against the apparent owner, its character is not taken away, and it remains barratrous, although he did it with the consent, or by the order, of the actual or legal owner.

The master being appointed by the owner, and controlled by him, many policies provide that they do not insure against barratry, *if the insured be the owner of the ship*. The purpose of this is obvious; it is to prevent an insurance of the owner against the acts of one for whom the owner ought to hold himself responsible. The effect of the clause is, generally, to limit the insurance against barratry to goods shipped by one who is not owner of the vessel. Still, if a charterer, who filled the ship he hired with his own goods and those of others, insured his freight—meaning the excess of what he would earn over what he must pay—the insurance against barratry would extend to him, and not be prevented by this clause, because he is not the owner of the ship.

As a general rule, the insurers are liable for the misconduct of the crew, when all usual and reasonable precautions have been taken by the owner, and his servant the master, to prevent such misconduct.

CAPTURE, ARREST AND DETENTION.

The phrase which refers to these perils is usually in these words: "Against all captures at sea, or arrests, or detentions of all kings, princes and people." Almost every word of this sentence has been the subject of litigation or of discussion. The provision has been held to apply not only to captures, arrests or detentions by public enemies, by foreign belligerent powers, but to those by the very government of which the insured is himself a subject, *unless* the same be for a breach of the law by the insured. Then the insurers are not liable, because they never are for the consequences of an illegal act of the insured. By the "people" are understood the sovereign power of a state, whatever be its form of government. "Capture" and "seizure" are equivalent; they differ from "detention" in this respect: the two former words mean a taking with intent to keep; the latter, a taking with intent to restore the property. "Arrest" is any taking possession of the property for any hostile or judicial purpose.

THE GENERAL CLAUSE.

This clause has a very limited operation. We have already remarked, that it is usually restricted to perils of a like kind with those already enumerated; and although this phrase has been declared to be substantial and material, it might be difficult to hold an insurer liable under this clause, when he would not have been liable under any one of the enumerated perils.

Another phrase sometimes used, "against all risks," has been construed very widely, and as if it included every cause of loss except the fraud of the insured. If it stood by itself, it might be difficult to define it; but

if it followed the usual enumeration, we should say that it should be limited by that in its significance and operation, and apply only to things like those enumerated.

PROHIBITED TRADE.

This is not the same with contraband trade (which belongs to war), although the words are sometimes used as if they were synonymous. It is perfectly lawful for a ship to break through a blockade if it can, or to carry arms or munitions of war to a belligerent. But then it is perfectly lawful for the state whose enemy is thus aided, to catch, seize, and condemn the vessel that does this, if it can. The vessel takes upon itself this risk; and we have seen that it is not covered by a common policy, unless the purpose is disclosed and permitted. Prohibited trade belongs to a time of peace. It is either trade prohibited by the state to which the ship belongs,—and then it is wholly illegal, and the insurers are not only not answerable under a general policy for a loss occasioned by this breach of law, but an express bargain to that effect would itself be illegal and void; or it may be trade prohibited only by a foreign state. And then it is not an illegal act in the vessel by whose sovereign it is not prohibited. On general principles, we should say that the intention to incur this extra risk should be communicated; because the insurers should be enabled to take it into consideration. But in practice, our policies generally, if not universally, except expressly the risks arising from prohibited trade.

If there has actually been such a trade, and a seizure, forfeiture, and condemnation because of it, the insurers are certainly discharged by the operation of this exception.

If there has been an attempt at such a trade, which was not carried into effect, but the vessel was seized and condemned therefor, according to the laws of the country where the attempt was made, here also we should say that the insurers were discharged.

If, however, the seizure and condemnation were for an alleged trade, or attempt to trade, but there was no justification for the same in fact, the vessel being wholly innocent, such a loss as this would not come under the exception, and the insurers would be liable.

If there be such a trade, or attempt thereto, and no seizure or condemnation, the insurers are not discharged from their liability for an independent loss by this exception.

The parties may always agree to add such risks, or except such, as they choose. And sometimes an excepted risk and one insured against are mingled. If, for example, all war risks and all captures are excepted, and a vessel is stranded upon a foreign and hostile shore, and captured there and condemned, are the insurers liable? Yes, if the vessel would have been lost by the stranding; but not if, so far as this peril went, the owners would have recovered her.

DEVIATION.

As the insurers are entitled to know either from information given them, or from the known course of the trade, what risks they assume, it is obvious that the insured have no right to change those risks, and that if they do, the insurers are not held to the new risk. Such a change of risk is called a deviation; it certainly discharges the insurers; and although

the word originally meant in law what it means commonly, a departure from the proper course of the voyage, any departure from, or change of, the risks insured against. And it discharges the insurers, although it does not increase the risk, as they have a right to stand by the exact bargain they have made. There may be a deviation while the ship is in port; or where the insurance is on time, and no voyage is indicated. And a very slight deviation may suffice to discharge the underwriters.

But no deviation discharges the insurers, or, in the language of the law, no change or risk is a deviation, unless it be voluntary, that is, unless it be made without sufficient necessity. Nor is this necessity determinable altogether by the event; for it must be judged of by the circumstances as they existed at the time, and entered into, or ought to have entered into consideration.

If a deviation is only temporary, it only suspends the liability of the insurers. But it is not temporary, unless after its termination all other risks are precisely what they would have been if there had been no deviation. And this is true of very few deviations indeed, and certainly not of any change of course, even for an hour; for the ship will not be again in the same place, and subject to the very same winds and waves, as she would otherwise have been.

The proper course—a departure from which is a deviation—is always the usual course, provided that be a usage; for a master is not bound to follow their track, wherever one or two have gone before, but must be allowed his own reasonable discretion. If there be no course so well established that every one would be expected to follow it, the master must go to his destined port in the most natural, direct, safe, and advantageous way. And a mere mistake on this point does not constitute a deviation. A deviation from the course marked out by established usage is not, however, excused by a mistake. And if a master, where there is no controlling usage, has made up his mind that a certain course is the best and proper course, and takes another, whether from some motive of his own or by the order of his owner, this is a deviation; because the insurers have a right to the master's best discretion, and to his following it.

An extraordinary and unnecessary protraction of a voyage would be a deviation. But the mere length of the voyage, without other evidence, would not prove this.

Liberty policies, so called, are often made. That is, the insured is expressly permitted to do certain things, which, without such permission, would constitute a deviation. And a large proportion of the cases on the subject of deviation have arisen under these policies. Most of the phrases commonly used have been construed by the courts; and generally quite strictly. A liberty to "enter" a port, or "touch" at a place, permits a ship to go in and come out, but it permits little delay, because for delay the word "stay" or "remain" is necessary. It is said that even to "enter and stop at" gives no liberty to *trade* at the port, but that word itself, or its full equivalent, must be used. Still, the circumstances of each case would influence the court very strongly in construing any such phrase or permission.

It is certain that no permission is necessary for any change of course or risk that is made for the saving of life, or even for the purpose of help-

ing the distressed. Always provided, however, that the change of course, or the delay, was no greater and no longer continued than this cause for it, actually and rationally considered, required. And the rule applies to every case in which it is attempted to justify a deviation on the ground of necessity. It is, however, equally well settled, that a change of course or of risk for the purpose of saving property is a deviation not justified by its cause.

Sometimes it is intended that a ship shall visit many ports, and even go backwards and forwards, at places between the port from which she sails and that at which the voyage is finally to terminate. Such purposes as this are sometimes provided for by a policy on time; and sometimes by express permission to go to, and trade at, certain ports. But there must be no going back and forth unless this also is expressly stated. If not stated, the ports mentioned must be visited in a certain order. If a port is named as one to which the ship will go, to that she must go. If it be only said that she may go to it, she may pass by without entry. If permission be given to enter and stop at a dozen different ports, the vessel may omit any of them, or the whole, but must visit in the proper order all to which she does go.

What this order is, must be determined by the words used, and by the facts, in each case. Generally, if ports are enumerated, they must be visited in the order in which they are mentioned; or if it appears that this was not intended, then in their geographical order, which may not be that which the map indicates, but that settled by the usual course of navigation. Where no final port is designated, it would seem that the ports permitted may be visited in any order; but even here the voyage cannot be unreasonably protracted.

The substitution of a new voyage for that agreed upon is of course a deviation, and one that can seldom or never be justified by any necessity, so as to carry the insurer's liability on the new voyage. If an entirely new voyage is intended, and a vessel sails upon it, but in the same direction in which she would have gone on the insured voyages, the policy never attaches, and the premium is never earned, because the ship never sails on the insured voyage. But if the ship is intended to pursue the insured voyage to its proper terminus, but at a certain point of the voyage to deviate by going into another port, there is no deviation until that point is reached and the deviation actually begun; because it is certain that no mere intention to deviate discharges the insurers until it is carried into execution. Whether the intended deviation was only an intended deviation, or was so great a change of the voyage that the mere intention to make it was an intention to sail on an entirely different voyage, in which case the policy does not attach, would be in every case a question of mixed law and fact. And if it was a part of the intention not to go finally to the proper terminus of the voyage, this would generally, we think, indicate that the old voyage was given up and a new one substituted.

ABSTRACT OF THE REPORT OF THE POSTMASTER GENERAL.

THE revenue of the Post-Office Department for the year ending June 30, 1865, was \$14,556,158 70, and the expenditures \$13,694,728 28, leaving a surplus of \$861,430 42. The ratio of increase of revenue over 1863-4

was seventeen per cent, and of expenditure eight per cent. The revenue accumulated in depository and draft offices was \$7,136,204 46; collected by Auditor, \$2,329,855 08; retained by postmasters for the payment of salaries, \$5,090,279 16.

The expenditures for the present fiscal year are estimated at \$18,678,000, and the revenues at \$16,011,773, being ten per cent increase over last year. It is estimated that an amount equal to fifty per cent of the receipts of 1860, say \$758,770, will be received from the Southern States, and adding an appropriation of \$700,000 for free matter, will make the total revenues \$17,470,543, leaving a deficit of \$1,207,457, for which no special appropriation will be required, as there is an unexpended balance of former appropriations amounting to \$2,150,000. Special appropriations will be required for steamship service between San Francisco, Japan and China for the first six months of 1867, \$250,000; between the United States and Brazil for the eight months of the current year, commencing with November 1, \$100,000, and the whole of next year \$150,000, making in all \$500,000.

	Value.
The number of postage stamps issued during the year was 387,- 419,455.....	\$17,099,787 50
Stamped envelopes, 25,040,425	724,135 00
Stamped wrappers, 1,165,750.....	28,315 00
Making in all.....	\$12,847,487 50

—an increase of \$1,873,108 over the previous year. The amount sold was \$12,399,727 85, being \$1,623,138 27 more than the previous year.

The introduction of stamped envelopes bearing a request for the return to the writers of unclaimed letters has considerably increased the sale of envelopes, and such a change in the law is suggested as to allow the return of such letters to the writers free of postage.

As stamped envelopes are cancelled by use it is suggested that the Postmaster General should be authorized in his discretion to furnish them as the separate stamps are now, without reference to the cost of manufacture.

New stamps have been adopted of the denominations of five, ten and twenty-five cents, for prepaying postage on packages of newspapers forwarded by publishers or newsdealers under the authority of law.

The receipts and expenditures of the department from January 1, 1831, to June 30, 1865, have been as follows:

Aggregate receipts.....	\$200,311,894 47
Aggregate expenditures.....	214,743,881 59
Deficit.....	\$44,436,987 12
Averaging annually:	
Receipts.....	\$5,806,141 87
Expenditures.....	7,094,170 48
Deficit.....	\$1,288,028 61

The mail service in operation on 30th June, 1865, embraced 6,012 routes, of the aggregate length of 142,340 miles, costing \$6,246,884, (exclusive of compensation to route and other agents, amounting to \$556,602 75).

Railroad, 23,401 miles, costing	\$2,707,421
Steamboat, 18,088 miles, costing	8,9,598
Celerity, etc., 105,851 miles, costing	8,179,865

The aggregate miles of transportation were 57,993,494 :

Railroad	24,087,568
Steamboat	2,444,696
Celerity, etc.	31,461,430

The cost per mile for transportation by railroad was $11\frac{1}{2}$ cents; steamboat, $14\frac{1}{2}$ cents; celerity, etc., 10 cents. The increased length of routes was 3,168 miles; of transportation, 1,678,137 miles, and of cost, \$428,415.

The mail service from Lincoln to Portland, and from Missouri to California, has been a source of much vexation to the department. The former service was performed in 1864 by the California Stage Company for \$90,000. The same company were the only bidders for continuing the service for 1866-68, (their bids being \$250,000 per annum, which was accepted only for the year ending June 30, 1865, and new proposals issued for the balance of the period, when the same company were the only bidders, at \$300,000 per annum, and the department was compelled to compromise with them at \$225,000 per annum for 1865-66, or abandon the service. Better service is anticipated the present year on the Overland route.

Railway post offices have been established on several leading railroads, and arrangements are in progress for their introduction on other lines.

The number of routes ordered into operation in States lately in rebellion is 241; their length, 18,640 $\frac{1}{4}$ miles, and compensation \$721,949—a reduction, compared with former cost of service in those States, of \$88,109 per annum. This, however, will be considerably increased, but the aggregate will be much below the cost of former years. Proposals have already been invited for carrying the mails in all of the Southern States.

The aggregate postages, sea, inland and foreign, upon the correspondence exchanged with foreign countries, amounted to \$1,819,928 56; of which amount \$1,449,530 76 accrued on the mails exchanged with Great Britain, France, Prussia, Bremen, Hamberg and Belgium; \$275,197 06 on the mails exchanged with the British North American Provinces, and \$95,200 74 on the mails transmitted to and from the West Indies, Central and South America.

The cost of the United States trans-Atlantic service performed by steamships receiving the sea-postage only was \$405,479 56. Of this amount \$213,330 23 was earned by the New York, Queenstown and Liverpool (Dale) line; \$71,106 70 by the Canadian line; \$73,273 11 by the New York, Southampton and Bremen, and \$47,769 52 by the New York, Southampton and Hamburg lines, respectively.

No progress has been made in the negotiations of postal conventions with European countries on the basis of the resolutions adopted at the Paris international postal conference.

The contract for the mail steamship service to Japan and China was awarded, on the 28th of August last, to the Pacific Mail Steamship Company at \$500,000 for twelve round trips per annum, between San Francis-

co and Hong Kong, touching on the outward and homeward passages, to land and receive mails, at the port of Honolulu, and Kanagawa, Japan. The company are to build four first-class steamships, of from 3,500 to 4,000 tons burden each, government measurement, and commence the service on or before the 1st of January, 1867.

Many interesting details are presented in relation to the ocean mail service, and the system of making such service self-sustaining by limiting the land postage when the conveyance is by an American, and to the sea postage only when by a foreign vessel, is strongly commended. Congress may be called upon to subsidize certain new lines, but generally the results on both new and old lines are encouraging. On some new lines, established since the war, less than the postage are allowed.

The number of post offices established on 30th June, 1865, including suspended offices in Southern States, was 28,882; number subject to appointment by the President, 712; by the Postmaster General, 28,170.

New offices established during the year, 586; offices discontinued, 582, changes of names and sites, 200.

The appointments made during the year number 5,447, of which 3,575 were to supply resignations; removals, 925; deaths 220, and new offices 586.

The number of offices in the late disloyal States is 8,902, of which 1,051 were re-opened on November 15, 1865.

Number of route agents, 307; aggregate compensation, \$229,522; local agents, 51; aggregate compensation, \$30,949; baggage-masters, 110; aggregate compensation, \$6,600; postal railway clerks, 64; aggregate compensation, \$75,000.

The free-delivery system has been discontinued at 22 of the smaller offices, and is now in operation in 45 of the principal cities. The number of carriers employed was 757, at an aggregate compensation of \$448,664 51.

The number of dead letters received, examined, and disposed of was 4,368,087, an increase of 859,262 over the previous year.

The number containing money, and remailed to owners, was 42,154, with enclosures amounting to \$244,373 97. Of these, 35,268, containing \$210,954 90, were delivered, leaving 6886 undelivered, with enclosures of the value of \$33,410 07. The number containing sums less than one dollar was 16,700, amounting to \$4,647 63, of which 12,698, containing \$3577 62, were delivered to the writers.

The number of letters containing checks, bills of exchange, deeds, and other papers of value, was 15,304, with a nominal value of \$3,929,888, of which 13,746, containing \$3,346,149, were delivered, leaving unclaimed 1,558, of the value of \$83,739.

The number containing photographs, jewelry, and miscellaneous articles was 69,902. Of these, 41,600 were delivered, and 28,202 remain for disposal, or, being worthless, have been destroyed. The number of valuable letters sent out was 107,979; an increase of 38,792 over previous year.

The number of letters conveyed in the mails during 1865 is estimated at 467,501,600. Of these, 4,368,087 were returned to the dead letter office, including 566,097 army and navy letters. Deducting 1,156,401 letters returned to writers, or held as valuable, the total number lost or destroyed was 2,352,424, or one in every two hundred mailed for transmission and delivery.

The number of postal money-order offices is 419, and orders have been issued for putting 55 additional offices into operation. The number of money-orders issued during the year was 74,277 of the value of \$1,360.122 52.

The Postmaster General suggests that the law would be improved by extending the time within which the order may be paid to six months, the period now allowed, of ninety days, being too limited for the necessary correspondence between distant points.

Balances were due from Southern postmasters at the outbreak of the rebellion amounting to 1,329,027 87. few of which have been paid. Means are being employed to collect these balances.

The subjoined table illustrates the misapplication of the postal fund, the aggregate excess of pay over receipts being \$1.185,819 :

Routes.	Pay.	Receipts.
Salt Lake City to Folsom.....	\$385,000 00 }	\$28,964 44
Atchison to Salt Lake.....	865,000 00 }	
Kansas City to Santa Fe.....	85,748 00	6,536 57
Lincoln to Portland.....	225,000 00	24,791 67
The Dalles to Salt Lake.....	186,000 00	5,660 77
Total.....	1,196,748 00	60,928 45

In conclusion, the report calls attention to the remarkable fact of the increase of postal correspondence in the loyal States during the rebellion. The maximum annual receipts of the department previous to the rebellion from all the States was \$8,518,067 40. which was exceeded in the sum of \$6,038,091 30 by the receipts of the last year from the loyal States alone. The revenues during the last four years amounted to \$16,458,022 97, an average of \$11,614,505 74 per annum. Compared with the receipts of the four years immediately preceding which amounted to \$32,622,640 73, the annual average increase of revenue was \$3,533,845 56 which has not resulted, from any considerable additions to the service, the ratio of receipts to expenditures having been larger than, with few exceptions, at any previous period. A proper regard to economy in administration aided by larger contributions from all the States of the Union, will enable the department to increase its usefulness from year to year in all of its legitimate functions.

REPORT OF THE SECRETARY OF THE TREASURY.

We have not room to give entire the excellent report of the Secretary of the Treasury, but publish below the greater portion of it. He discusses at length the financial questions embracing the Currency, the Public Debt, and the Revenue.

In speaking of the currency he says, that the right of Congress, at all times, to borrow money, and to issue obligations for loans in such form as may be convenient, is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the Government against its enemies, may consider in a great emergency necessary to be done. The present legal-tender acts were war measures, and while the repeal of those provisions which made the United States notes lawful money is not now recommended, the Secretary is of the opinion that they ought not to remain in force one day longer than shall be necessary to enable the people to prepare for a return to the constitutional currency.

After answering the reasons urged in favor of retaining the United States notes as a Government currency the Secretary states that in speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes which are a legal tender for their face value, were intended to be a security rather than a circulating medium, and it would be neither injurious to the public, nor an act of bad faith to the holders for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the Government in its efforts to retire them, and is therefore recommended.

CONTRACTION AND ITS EFFECTS.

The rapidity with which the Government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement towards a contraction of the currency is not only a public necessity, but that it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

It is a well-established fact, which has not escaped the attention of all intelligent observers, that the demand for money increases (by reason of an advance of prices) with the supply, and that this demand is not unfrequently most pressing when the volume of currency is the largest and inflation has reached the culminating point. Money being an unprofitable article to hold, very little is withheld from actual use, and in proportion to its increase prices advance; on the other hand a reduction of it reduces prices, and as prices are reduced the demand for it falls off; so that, paradoxical as it may seem, a diminution of the currency may in fact increase the supply of it.

Nor need there be any apprehension that a reduction of the currency—unless it be a violent one—will injuriously affect real prosperity. Labor is the great source of national wealth, and industry invariably declines on an inflated currency. The value of money depends upon the manner in which it is used. If it stimulates productive industry, it is a benefit, and to the extent only to which it does this is it a benefit. If, on the other hand, it diminishes industry, and to the extent to which it diminishes it, it is an evil. Even in the form of the precious metals, it may not prove to be wealth to a nation. The idea that a country is necessarily rich in proportion to the amount of gold or silver which it possesses, is a common and natural, but an erroneous one, while the opinion that real prosperity is advanced by an increase of paper money beyond what is absolutely needed as a medium for exchanges of real values, is so totally fallacious, that few sane men entertain it whose judgment is not clouded by the peculiar financial atmosphere which an inflation is so apt to produce.

An irredeemable paper currency may be a necessity, but it can scarcely fail if long continued, to be a calamity to any people. Gold and silver are the only proper measure of value. They have been made so by the tacit agreement of nations, and are the necessary regulator of trade, the medium by which balances are settled between different countries and between sections of the same country. As a universal measure of value, they are a commercial necessity. The trade between different nations and between sections of the same country is carried on by an exchange of commodities, but is never equally balanced by them; and unless credits are being established, the movements of coin unerringly indicate on which side the balance exists.

The Secretary then shows that an inflated currency stimulates speculation, decreases production, and must result, if continued, in ruin.

There are no indications of real and permanent prosperity in our large importations of foreign fabrics; in the heavy operations at our commercial marts; in the splendid fortunes reported to be made by skillful manipulations at the gold room or the stock board; no evidences of increasing wealth in the facts that railroads and steamboats are crowded with passengers, and hotels with guests; that cities are full to overflowing, and rents and the prices of the necessities of life, as well luxuries are daily advancing. All these things prove rather that a foreign debt is being created, that the number of non-producers is increasing, and that productive industry is being diminished. There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and

extravagance, but is striking at the root of our material prosperity by diminishing labor. The evil is not at present beyond the control of legislation, but is daily increasing, and, if not speedily checked, will, at no distant day, culminate in wide spread disaster. The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency.

AMOUNT OF OUR CURRENCY.

The paper circulation of the United States, on the 31st of October last, was substantially as follows :

1. United States notes and fractional currency.....	\$454,218,038 20
2. Notes of the National Banks.....	185,000,000 00
3. Notes of State Banks, including outstanding issues of State Banks converted into National Banks....	65,000,000 00
	<hr/>
	\$704,218,038 20

The amount of notes furnished to the National Banks up to and including the 31st of October was a little over \$205 000,000, but it is estimated that \$20,000,000 of these had not then been put into circulation.

In addition to the United States notes, there were also outstanding \$32,536,900 five per cent Treasury notes, and \$173,012,140 compound interest notes, of which it would, doubtless, be safe to estimate that \$30,000,000 were in circulation as currency.

From this statement, it appears that, without including seven and three-tenths notes, many of the small denominations of which were in circulation as money and all of which tend in some measure to swell the inflation, the paper money of the country amounted on the 31st of October, to the sum of \$734,218,038 20, which has been daily increased by the notes since furnished to the National Banks, and is likely to be still further increased by those to which they are entitled, until the amount authorized by law (\$800,000,000) shall have been reached, subject to such reduction as may be made by the withdrawal of the notes of the State banks.

The following is a statement of the bank note circulation of the country at various periods of highest and lowest issues prior to the war :

1837, January	\$61,824,000	1856, January	\$195,747,050
1855 "	103,692,495	1857 "	214,778,822
1836 "	140,301,038	1858 "	155,208,344
1837 "	149,185,890	1860 "	207,102,000
1843 "	58,564,000		

It will be noticed by this statement that the bank note circulation of the United States increased from \$61,824,000 to \$149,185,890 between the 1st of January, 1830, and the 1st of January, 1837, in which latter year the great financial collapse took place; fell from \$149,185,890 in 1837, to \$58,564,000 in 1843, and rose to \$214,778,822 on the 1st of January, 1857, in which year the next severe crisis occurred; falling during that year to \$155,208,344, and rising to \$207,102,000 on the 1st of January, 1860.

The following is a statement of bank deposits and loans in the same years :

Years.	Deposits.	Loans.	Years.	Deposits.	Loans.
1830, Jan. 1	\$55,560,000	\$200,451,000	1856, Jan. 1	\$212,706,000	\$684,181,000
1855 "	83,081,000	365,163,000	1857 "	230,351,000	684,456,000
1836 "	115,104,000	457,506,000	1858 "	185,932,000	583,165,000
1837 "	127,297,000	525,115,000	1860 "	253,802,000	691,945,000
1843 "	58,168,000	254,544,000			

On the 30th of September, the date of their last quarterly reports, the deposits and loans of the National Banks (the Secretary has no reliable returns of these items from the few remaining State banks) were as follows :

Deposits, Individual and Government.....	\$544,150,194
Loans	\$485,314,029

To which should be added—	
Investments in U. S. bonds and other United States securities	427,781,600
	<hr/>
	\$913,045,629

These figures are a history in themselves, exhibiting not only the past and present condition of the country, in matters of exceeding interest, but indicating unerringly the dangerous direction in which the financial current is sweeping.

EFFECTS OF INFLATION.

On the 1st of January of the memorable year 1837, the bank note circulation of the United States was \$149,185,890, the deposits were \$127,297,000, the loans

\$525,115,000. In January, 1857, the year of the next great crisis, the circulation was \$214,778,822, the deposits were \$280,851,000, the loans \$654,456,000. There are no statistics to exhibit the amount of specie actually in circulation in those periods, but it would be a liberal estimate to put it at \$30,000,000 for 1837, and \$50,000,000 for 1857.

These were years of great inflation, the effects of which have been already referred to—the revulsion of 1837 not only producing great immediate embarrassment, but a prostration which continued until 1843, at the commencement of which year the bank note circulation amounted only to \$58,564,000, deposits to \$56,168,000, loans \$254,544,000—flour having declined in New York from \$10 25 per barrel on the 1st of January, 1857, to \$4 69 on the 1st of January, 1843, and other articles, in about the same proportion.

The reaction in 1857 was severe, but, for the reason before stated less disastrous and protracted.

On the 30th of September last, the deposits of the National Banks alone amounted to \$544,150,194; their loans—estimating their national securities as a loan to the Government—to \$218,045,629; both of which items must have been increased during the month of October; while on the 31st of that month the circulation, bank and national, had reached the startling amount of upwards of \$700,000,000. Nothing beyond this statement is required to exhibit the present inflation or to explain the causes of the current and advancing prices. If disaster followed the expansion of 1837 and 1857, what must be the consequences of the present expansion unless speedily checked and reduced!

CONTRACTION.

Before concluding his remarks upon this subject, it may be proper for the Secretary, even at the expense of repetition, to notice briefly some of the popular and plausible objections to a reduction of the currency.

First. That, by reducing prices it would operate injuriously, if not disastrously, upon trade, and be quite likely to precipitate a financial crisis.

To this it may be replied, that prices of articles of indispensable necessity are already so high as to be severely oppressive to consumers, especially to persons of fixed and moderate incomes and to the poorer classes. Not only do the interests, but the absolute necessities of the masses require that the prices of articles needed for their use should decline.

Nor is there any reason to apprehend, by any policy that Congress may adopt, so rapid a reduction of prices as to produce very serious embarrassment to trade. The Government currency can only, to any considerable extent, be withdrawn by a sale of bonds, and the demand for bonds will be so affected by the state of the market that a rapid contraction will be difficult, if not impossible, even if it were desirable. There is more danger to be apprehended from the inability of the Government to reduce its circulation rapidly enough, than from a too rapid reduction of it. It is, in part, to prevent a financial crisis, that is certain to come without it, that the Secretary recommends contraction. Prices are only advancing. The longer contraction is deferred, the greater must the fall eventually be, and the more serious will be its consequences. It is not expected that a return to specie payments will bring prices back to the standards of former years. The great increase of the precious metals and high taxes will prevent this; but this consideration makes it the more important that all improper and unnecessary influences in this direction should be removed.

Again it is urged, that a contraction of the currency would reduce the public revenues.

It is possible that this might be the immediate effect, but it would be temporary only. The public revenues depend upon the development of our national resources, upon our surplus productions; in other words, upon labor. The revenues derived from transactions based upon a false standard of value, or from interests that can only flourish in speculative times, are not those upon which reliance can be placed for maintaining the public credit. What a healthy and reliable business requires is a stable basis. This it cannot have as long as the country is afflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be in no small degree controlled by speculative combinations.

It is also urged that the proposed policy would endanger the public credit, by preventing funding; and that it would compel the Government and the people, who are in debt, to pay in a dearer currency than that in which their debts were contracted.

The Secretary is unable to perceive any substantial ground for this objection. He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the Government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. While it is hoped that early provision will be made for the commencement of the reduction of the national debt, an early payment of it is not anticipated. Nor is it understood that those who are apprehensive of the effects of contraction, entertain the opinion that the present condition of things should be continued until any considerable portion of this debt shall be paid.

So far as individual indebtedness is regarded, it may be remarked, that the people of the United States, if not as free from debt as they were six months ago, are much less in debt than they have been in previous years, and altogether less than they will be when the inevitable day of payment comes round, if the volume of paper money is not curtailed. A financial policy which would prevent the creation of debts and stimulate the payment of those already existing, so far from being injurious, would be in the highest degree beneficial.

It is further urged that a reduction of the Government notes would embarrass the National Banks, if it did not force many of them into liquidation.

To which it may be said, that it is better that the banks should be embarrassed now than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer, it is not difficult to predict. While there has been no unhealthy expansion of credits in the United States for which the banks have not been largely responsible, there has been none by which they have not been ultimately the losers. Unless their sentiments are misunderstood by the Secretary, the conservative bankers of the country are quite unanimously in favor of a curtailment of the currency, with a view to an early return to specie payments.

Again: It is said that the excessive bank deposits have as much influence in creating and sustaining high prices as a superabundant currency. This is unquestionably true; but it is also true that excessive deposits are the effects of excessive currency, and that whenever the currency is reduced there will be, at least, a corresponding, if not a greater reduction of deposits.

The last objection which will be noticed to the measure recommended is, that it would, by reducing the rate of foreign exchange, reduce exports and increase imports.

It is doubtless true that a high rate of exchange did for a time increase the exportation of our productions, and diminish the importation of foreign articles, but this advantage was much more than counterbalanced by the largely increased expenses of the government and of the people, resulting from the very cause that produced the high rate of exchange. Besides, this apparent advantage no longer exists. The advance of prices in the United States, notwithstanding the continued high rate of European Exchange, is now checking exports and inviting imports, and is creating a balance in favor of Europe that is likely to be the greatest obstacle in the way of an early resumption of specie payments. Nor must it be forgotten, that while the export of our productions was stimulated by the high rate of exchange, this very high rate of exchange enabled Europe to purchase them at exceedingly low prices.

Unless an unusual demand for our products is created in Europe by extraordinary causes, it will be ascertained, by reference to the proper tables, that our imports increase, and our exports diminish, under the influence of a redundant currency. But reference to figures is hardly necessary to substantiate this proposition. It is substantiated by the statement of it. A country in which high prices prevail is an inviting one for sellers, but an uninviting one for purchasers. Such a country is unfortunately the United States at the present time. In order, however, that there may be no misapprehension on this point, the attention of Congress is respectfully called to a clear and interesting paper from Dr. Elder, statistician of this Department, accompanying this report.

Every consideration, therefore, that has been brought to the mind of the Secretary confirms the correctness of the views he has presented. If the business of the country rested upon a stable basis, or if credits could be kept from being still further increased, there would be less occasion for solicitude on this subject. But such is not

the fact. Business is not in a healthy condition ; it is speculative, feverish, uncertain. Every day that contraction is deferred increases the difficulty of preventing a financial collapse. Prices and credits will not remain as they are. The tide will either recede or advance ; and it will not recede without the exercise of the controlling power of Congress.

POLICY RECOMMENDED.

The Secretary, therefore, respectfully but earnestly recommends—

First. That Congress declare that the compound interest notes shall cease to be a legal tender from the day of their maturity.

Second That the Secretary be authorized, in his discretion, to sell bonds of the United States, bearing interest at a rate not exceeding six per cent, and redeemable and payable at such periods as may be conducive to the interests of the Government, for the purpose of retiring not only compound interest notes, but the United States notes.

It is the opinion of the Secretary, as has been already stated, that the process of contraction cannot be injuriously rapid ; and that it will not be necessary to retire more than one hundred, or, at, most, two hundred millions of United States notes, in addition to the compound notes, before the desired result will be attained. But neither the amount of reduction, nor the time that will be required to bring up the currency to the specie standard, can now be estimated with any degree of accuracy. The first thing to be done is to establish the policy of contraction. When this is effected, the Secretary believes the business of the country will readily accommodate itself to the proposed change in the action of Government, and that specie payments may be restored without a shock to trade, and without a diminution of the public revenues or of productive industry.

At the close of a great war, which has been waged on both sides with a vigor and energy, and with an expenditure of money, without a precedent in modern times, the people of the United States are encumbered with a debt which requires the immediate and careful consideration of their representatives.

The debt is large, but if kept at home, as it is desirable it should be, with a judicious system of taxation it need not be oppressive. It is, however, a debt. While it is capital to the holders of the securities, it is still a national debt, and an encumbrance upon the national estate. Neither its advantages nor its burdens are or can be shared or borne equally by the people. Its influences are anti-republican. It adds to the power of the Executive by increasing Federal patronage. It must be distasteful to the people because it fills the country with informers and tax-gatherers. It is dangerous to the public virtue, because it involves the collection and disbursement of vast sums of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden, and the work of removing it—no matter how desirable it may be for individual investment—should not be long postponed.

As all true men desire to leave their heirs unencumbered estates, so should it be the ambition of the people of the United States to relieve their descendants of this national mortgage. We need not be anxious that future generations shall share the burdens with us. Wars are not at an end, and posterity will have enough to do to take care of the debts of their own creation.

Various plans have been suggested for the payment of the debt, but the Secretary sees no way of accomplishing it but by an increase of the national income beyond the national expenditures. In a matter of so great importance as this experiments are out of place. The plain beaten path of experience is the only safe one to tread.

The first step to be taken is to institute measures for funding the obligations that are soon to mature. The next is to provide for raising, in a manner the least odious and oppressive to tax-payers, the revenues necessary to pay the interest on the debt, and a certain definite amount annually for the reduction of the principal. The Secretary respectfully suggests that on this subject the expression of Congress should be decided and emphatic. It is of the greatest importance in the management of a matter of so surpassing interest that the right start should be made. Nothing but revenue will sustain the national credit, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase.

TREASURY STATEMENT.

On the 31st day of October, 1865, since which time no material change has taken

place, the public debt, without deducting funds in the Treasury, amounted to \$2,808,549,437 55, consisting of the following items:

Bonds, 10-40's 5 per cent, due in 1904.....	\$172,770,100 00	
Bonds, Pacific Railroad, 6 per cent, due in 1895.....	1,258,000 00	
Bonds, 5-20's, 6 per cent, due in 1882, 1884, and 1885.....	659,259,600 00	
Bonds, 6 per cent, due in 1881.....	265,347,400 00	
Bonds, 5 per cent, due in 1880.....	18,415,000 00	
Bonds, 5 per cent, due in 1874.....	20,000,000 00	
Bonds, 5 per cent, due 1871.....	7,022,000 00	
	<hr/>	\$1,144,072,100 00
Bonds, 6 per cent, due in 1868.....	8,908,341 80	
Bonds, 6 per cent, due in 1867.....	9,415,250 00	
Compound interest notes, due in 1867 and 1868.....	173,012,141 00	
7-30 Treasury notes, due in 1867 and 1868.....	880,000,000 00	
	<hr/>	1,021,335,732 80
Bonds, Texas indemnity, pas due.....	760,000 00	
Bonds, Treasury notes, &c., past due.....	613,920 09	
	<hr/>	1,373,920 09
Temporary loan, ten days' notice.....	99,107,745 46	
Certificates of indebtedness, due in 1866.....	55,905,000 00	
Treasury notes, 5 per cent, Dec. 1, 1865.....	82,536,901 00	
	<hr/>	187,549,646 46
United States notes.....	428,160,569 00	
Fractional currency.....	26,057,469 20	
	<hr/>	454,218,038 20
		<hr/>
		\$2,808,549,437 55

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1865:

Balance in Treasury agreeably to warrants, July 1, 1864.....		\$96,739,905 73
Receipts from loans applicable to expenditures.....	\$864,863,499 17	
Receipts from loans applied to payment of public debt.....	607,361,241 68	
	<hr/>	1,472,224,740 85
Receipts from customs.....	84,928,260 60	
Receipts from lands.....	906,553 31	
Receipts from direct tax.....	1,200,573 03	
Receipts from internal revenue.....	209,464,215 25	
Receipts from miscellaneous sources.....	82,978,284 47	
	<hr/>	329,567,866 66
		<hr/>
		\$1,898,537,533 24

EXPENDITURES.

Redemption of public debt.....		\$607,361,241 68
For the civil service.....	\$44,765,558 12	
For pensions and Indians.....	14,258,575 38	
For the War Department.....	1,031,323,260 79	
For the Navy Department.....	122,567,776 12	
For interest on public debt.....	77,397,712 00	
	<hr/>	1,290,312,082 41
		<hr/>
		1,897,674,224 09

Leaving a balance in the Treasury on the 1st day of July, 1865, of..... \$858,909 15

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year 1865:

Amount of public debt June 30, 1865.....	\$2,682,593,026 63
Amount of public debt June 30, 1864.....	1,740,690,489 49
	<hr/>
Total increase.....	\$941,902,537 04

Which increase was caused as follows:

Bonds, 6 per cent, acts July 17, 1861.....	29,799,500 00	
Bonds, 6 per cent, act Feb. 25, 1862.....	4,000,000 00	
Bonds, 6 per cent, act March 3, 1863.....	82,327,776 66	
Bonds, 6 per cent, act June 30, 1864.....	91,789,000 00	
	<hr/>	\$157,916,226 66
Bonds, 5 per cent, act March 3, 1864.....		99,432,350 00
Bonds, 6 per cent, acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, interest payable in lawful money.....		1,258,000 00
Treasury notes, 7-30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money.....		671,610,400 00
Compound interest notes, 6 per cent, act June 30, 1864.....	\$178,756,080 00	
Temporary loan, 6 per cent, act July 11, 1862.....	17,886,869 96	
	<hr/>	196,142,949 96
United States notes, acts Feb. 25, 1862, July 11, 1862, and January 17, 1863....		1,509,295 16
Fractional currency, act March 3, 1863.....		7,363,098 65
	<hr/>	
Gross increase.....		\$1,185,282,320 63

From which deduct for payments—

Bonds, 6 per cent, act July 21, 1842.....	\$1,400 00	
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861.....	158,800 00	
Bonds, 5 per cent, act Sept. 9, 1850, (Texas indemnity).....	1,307,000 00	
Treasury notes, 7-30, act July 17, 1861.....	30,212,900 00	
Certificates, of indebtedness, 6 per cent, act March 1, 1862..	44,957,000 00	
Treasury notes, 5 per cent, one and two-year, act March 3, 1863	111,122,740 00	
United States notes, act July 17, 1861, and Feb. 12, 1862.....	808,396 25	
Postal currency, act July 17, 1862.....	5,252,147 34	
		<u>193,329,783 59</u>
Net increase.....		941,902,537 04

In the report of the Secretary for the year 1864, there was excluded from the public debt the sum of \$77,897,347 02, which amount had been paid out of the Treasury, but had not been reimbursed to the Treasurer by warrants, and was not reimbursed until after the commencement of the next fiscal year. This explains the difference between \$18,842,558 71, assumed in that report as the balance in the Treasury July 1, 1864, and \$96,739,905 73, the balance according to the warrant account, as above stated.

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1865 :

Balance in Treasury, agreeable to warrants, July 1, 1865.....		858,309 15
Receipts from loans applicable to expenditures.....	133,773,097 22	
Receipts from loans applied to payment of public debt.....	133,409,163 35	
		<u>277,182,260 57</u>
Receipts from customs.....	47,009,583 03	
Receipts from lands.....	132,890 63	
Receipts from direct tax.....	31,111 30	
Receipts from internal revenue.....	96,618,885 65	
Receipts from miscellaneous sources.....	18,398,729 94	
		<u>162,186,200 53</u>
		<u>440,226,770 27</u>

EXPENDITURES.

For the redemption of public debt.....	133,409,163 35	
For the civil service.....	10,571,460 99	
For pensions and Indians.....	6,024,241 86	
For the War Department.....	165,969,237 32	
For the Navy Department.....	16,520,669 81	
For interest on the public debt.....	36,173,481 50—	372,068,254 83

Leaving a balance in Treasury on the 1st day of October, 1865, of..... 67,158,515 44

The Secretary estimates that the receipts for the remaining three quarters of the year ending June 30, 1866, will be as follows :

Balance in Treasury October 1, 1865.....		67,158,515 44
Receipts from customs.....	100,000,000 00	
Receipts from lands.....	500,000 00	
Receipts from internal revenue.....	175,000,000 00	
Receipts from miscellaneous sources.....	30,000,000 00—	305,500,000 00
		<u>372,653,515 44</u>

The expenditures, according to the estimates, will be :

For the civil service.....	32,994,052 38	
For pensions and Indians.....	12,256,790 94	
For the War Department.....	307,738,750 57	
For the Navy Department.....	35,000,000 00	
For interest on public debt.....	96,813,868 75—	484,853,462 64

Deficiency..... 112,191,947 20

The receipts for the year ending June 30, 1867, are estimated as follows :

From customs.....	100,000,000 00	
From internal revenue.....	275,000,000 00	
From lands.....	1,000,000 00	
From miscellaneous sources.....	20,000,000 00—	396,000,000 00

The expenditures, according to the estimates, will be :

For the civil service.....	42,165,599 47	
For pensions and Indians.....	17,609,640 23	
For the War Department.....	39,017,416 18	
For the Navy Department.....	43,982,457 50	
For the interest on the public debt.....	141,542,068 50	
		<u>284,317,181 88</u>

Leaving a surplus of estimated receipts over estimated expenditures, of . 111,682,818 12

The debt of the United States was increased during the fiscal year ending June 30, 1865, \$941,902,537 04, and during the first quarter of the present fiscal year \$138,773,097 22. The Secretary has, however, the satisfaction of being able to state that during the months of September and October the public debt was diminished to the amount of about thirteen millions of dollars.

If the expenditures of the remaining three quarters of the present fiscal year shall equal the estimates, there will be a deficiency, to be provided for by loans, of \$112,194,947 20, to which must be added \$32,586,901 for the five per cent. Treasury notes (part of the public debt), which become due the present month, and are now being paid out of moneys in the Treasury, and all other payments which may be made on the public debt.

The heavy expenditure of the last fiscal year, and of the months of July and August of the present fiscal year, are the result of the gigantic scale on which the war was prosecuted during a portion of this period, and the payment of the officers and men mustered out of the service. The large estimates of the War Department for the rest of the year are for the payment of troops which are to remain in the service, and of those which are to be discharged, and for closing up existing balances.

The statement of the probable receipts and expenditure for the next fiscal year is in the highest degree satisfactory. According to estimates which are believed to be reliable, the receipts of that year will be sufficient to pay all current expenses of the Government, the interest on the public debt, and leave the handsome balance of \$111,682,813 12 to be applied toward the payment of the debt itself.

By the statement of the public debt on the 31st of October, it appears that, besides the compound interest, the United States, and the fractional notes, the past-due debt amounted to

.....	\$1,378,920 09
The debt due in 1865 and 1866 to	187,549,440 46
The debt due in 1867 and 1868 to	818,323,591 80

During the month of October about \$50,000,000 of the compound interest notes, were funded in 5-20 six per cent. bonds under the provisions of the act of March 3, 1865.

The Secretary would be gratified if the Treasury could be put at once in a condition to obviate the necessity of issuing any more certificates of indebtedness, or raising money by any kind of temporary loans; but he may, for a short period, be obliged to avail himself of any means now authorized by law for meeting current expenses and other proper demands upon the Treasury.

Of the debt falling due in 1867 and 1868, \$830,000,000 consist of 7 3-10 notes. It may be regarded as premature to fund any considerable amount of these notes within the next year; but in view of the fact that they are convertible into bonds only at the pleasure of the holders, it will be evidently prudent for Congress to authorize the Secretary, whenever it can be advantageously done, to fund them in advance of their maturity.

FURTHER POWERS ASKED BY THE SECRETARY.

The Secretary has already recommended that he be authorized to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., for the purpose of retiring Treasury notes and United States notes. He further recommends that he be authorized to sell in his discretion, bonds of a similar character to meet any deficiency for the present fiscal year, to reduce the temporary loan by such an amount as he may deem advisable, to pay the certificates of indebtedness as they mature, and also to take up any portion of the debt maturing prior to 1869 that can be advantageously retired. It is not probable that it will be advisable, even if it could be done without pressing them upon the market, to sell a much larger amount of bonds within the present or the next fiscal year than will be necessary to meet any deficiency of the Treasury, to pay the past-due and maturing obligations of the Government, and a part of the temporary loan, and to retire an amount of the compound interest notes and United States notes sufficient to bring back the business of the country to a healthier condition. But no harm can result from investing the Secretary with authority to dispose of bonds, if the condition of the market will justify it, in order to anticipate the payment of those obligations that must soon be provided for.

When the whole debt shall be put in such a form that the interest only can be demanded until the Government shall be in a condition to pay the principal it can be easily managed. It is undeniably large, but the resources of the country are even now ample to carry and gradually to reduce it; and with the labor question at the South settled on terms just to the employer and to the laborer, and with entire harmony be-

tween the different sections, it will be rapidly diminished, in burden and amount, by the growth of the country, without any increase of taxation.

After careful reflection the Secretary concludes that no act of Congress (except for raising the necessary revenue) would be more acceptable to the people, or better calculated to strengthen the national credit, than one which should provide that \$100 hundred millions of dollars, commencing with the next fiscal year, shall be annually applied to the payment of the interest and principal of the national debt. The estimates for the next fiscal year indicate that a very much larger amount could be so applied without an increase of taxes.

Before concluding his remarks upon the national debt, the Secretary would suggest that the credit of the five-twenty bonds issued under the acts of Feb. 25, 1862, and June 30, 1864, would be improved in Europe, and, consequently, their market value advanced at home, if Congress should declare that the principal, as well as the interest of these bonds is to be paid in coin. The policy of the Government in regard to its funded debt is well understood in the United States, but the absence of a provision in these acts that the principal of the bonds issued under them should be paid in coin, while such a provision is contained in the act under which the ten-forties were issued, has created some apprehension in Europe that the five-twenty bonds might be called in at the expiration of five years, and paid in United States notes. Although it is not desirable that our securities should be held out of the United States, it is desirable that they should be of good credit in foreign markets on account of the influence which these markets exert upon our own. It is, therefore, important that all misapprehensions on these points should be removed by an explicit declaration of Congress that these bonds are to be paid in coin.

TAXATION OF GOVERNMENT BONDS.

In view of the fact that the exemption of Government securities from State taxation is by many persons considered an unjust discrimination in their favor, efforts may be made to induce Congress to legislate upon the subject of their taxation. Of course, the existing exemption from State and municipal taxation of bonds and securities now outstanding will be scrupulously regarded. That exemption is a part of the contract under which the securities have been issued and the money loaned thereon to the Government, and it would not only be unconstitutional but a breach of the public faith of the nation to disregard it. It would also, in the judgment of the Secretary, be unwise for Congress to grant to the States the power, which they will not possess unless conferred by express Congressional enactment, of imposing local taxes upon securities of the United States which may be hereafter issued. Such taxation in any form would result in serious, if not fatal, embarrassment to the Government, and, instead of relieving, would eventually injure the great mass of the people, who are to bear their full proportion of the burden of the public debt. This is a subject in relation to which there should be no difference of opinion. Every tax-payer is personally interested in having the public debt placed at home, and at a low rate of interest, which cannot be done if the public securities are to be subject to local taxation. Taxes vary largely in different States, and in different counties and cities of the same State, and are everywhere so high that unless protected against them, the bonds into which the present debt must be funded cannot be distributed among the people, except in some favored localities, unless they bear a rate of interest so high as to make the debt severely oppressive, and to render the prospect of its extinguishment well-nigh hopeless. Exempted from local taxation, the debt can, it is expected, be funded at an early day at five per cent.; if local taxation is allowed, no considerable portion of the debt which falls due within the next four years can be funded at more than eight per cent. The tax-payers of the United States cannot afford to have their burdens thus increased. It is also evident that the relief which local tax-payers would obtain from Government taxation, as the result of a low rate of interest on the national securities, would, at least, be as great as the increase of local taxes to which they would be subjected on account of the exemption of Government securities; while if those securities should bear a rate of interest sufficient to secure their sale when subject to local taxes, few, if any, of them would long remain where those taxes could reach them. They would be rapidly transferred to other countries, into the hands of foreign capitalists, and thus at last the burden of paying a high rate of interest would be left upon the people of this country without compensation or alleviation.

INTERNAL REVENUE SYSTEM.

It is important, therefore, that our revenue system should be frequently and carefully revised, in order that it may be accommodated to the habits and character of the people, to the industry of the country, to labor and capital, to wages at home and wages abroad. It is also of the highest importance that there should be a careful adjustment of our internal to our external revenue system.

That views somewhat similar to these were entertained by Congress is indicated by the provision in the amendatory act of March 3, 1865, by which the Secretary of the Treasury was authorized to "appoint a commission, consisting of three persons, to inquire and report, at the earliest practical moment, upon the subject of raising by taxation such revenue as may be necessary in order to supply the wants of the Government, having regard to and including the sources from which such revenue should be drawn, and the best and most efficient mode of raising the same."

This subject received the early attention of the Secretary, and under the authority of the act, after careful deliberation, a commission was organized, consisting of Messrs. David A. Wells, Stephen Colwell, and S. S. Hayes, representing, to a certain extent, different sections and interests, and also different political sentiments. The commission was fully organized in June, and has since then been actively engaged in the prosecution of its labors.

* * * * *

In view of the fact that the revision of the whole revenue system has been committed to this commission, the Secretary does not consider it proper for him to present his views upon this important subject in advance of their final report, which it is hoped will be made early in the session.

There are some subjects, however, presented in the report of the Commissioner of Internal Revenue, which require the attention of Congress before the report of the commission is received, and in relation to which there should be early action.

COLLECTION OF TAXES IN SOUTHERN STATES.

In putting into operation the system of internal revenue in the recently rebellious States, it became necessary for the Secretary to decide whether or not an effort should be made to collect taxes which accrued prior to the establishment of revenue offices therein. After giving the subject due consideration, the Secretary, in view of the facts that there were no Federal revenue officers to whom payment of taxes could be made, that the people (many of them involuntarily) had been subjected to heavy taxation by the government which was attempted to be established in opposition to that of the United States, and had been greatly exhausted by the ravages of war, issued a circular, under date of 21st of June, declaring "that, without waiving in any degree the right of the government in respect to taxes which had before that time accrued in the States and Territories in insurrection, or assuming to exonerate the tax-payer from his legal responsibility for such taxes, the Department did not deem it advisable to insist, at present, on their payment, so far as they were payable prior to the establishment of a collection district embracing a territory in which the tax-payer resided."

For substantially the same reasons that induced the Secretary to issue this circular, he deemed it to be his duty to suspend all further sales under the direct tax law. Tax Commissioners, however, have been appointed for each State, and collections have been made, as far as it has been practicable to make them, without sales of property. Some sales had, however, been previously made in many of the States, and large amounts of property had been purchased for the government. In South Carolina a portion of the lands thus purchased have since been sold under the 11th section of the Act of August 1863.

During the war, the laws in regard to stamps have been, of course, in the insurrectionary States, entirely disregarded; and, as a consequence, immense interests are thereby imperilled.

In view, therefore, of the recent and present condition of the Southern States, the Secretary recommends—

First. That the collection of internal revenue taxes which accrued before the establishment of revenue offices in the States recently in rebellion be indefinitely postponed.

Second. That all sales of property in those states, under the direct tax law, be suspended until the States shall have an opportunity of assuming, (as was done by the loyal States) the payment of taxes assessed upon them.

Third. That all transactions in such states, which may be invalid by the non use of stamps, be legalized as far as it is in the power of Congress to legalize them.

What action, if any, should be taken for the relief of persons in those States, whose property has been sold under the direct tax law, and is now held by the government, it will be for Congress to determine. The Secretary is decidedly of the opinion that liberal legislation in regard to the taxes which accrued prior to the suppression of the rebellion will tend to promote harmony between the government and the people of those States, will ultimately increase the public revenues, and vindicate the humane policy of the government.

RECIPROCITY TREATY.

The reciprocity treaty with Great Britain will expire on the 17th of March next, and due notice of this fact has been given, by circulars, to the officers of customs on the northern frontier.

There are grave doubts whether treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate revenue bills; and whether such treaties, if they yield anything not granted by our general revenue laws, are not in conflict with the spirit of the usual clause contained in most of our commercial treaties, to treat each nation on the same footing as the most favored nation, and not to grant, without an equivalent, any particular favor to one nation not conceded to another in respect to commerce and navigation.

It appears to be well established that the advantages of this treaty have not been mutual, but have been in favor of the Canadas. Our markets have been strong, extensive, and valuable—theirs have been weak, limited, and generally far less profitable to our citizens. The people of the Canadas and Provinces have been sellers and we buyers of the same productions for which we are often forced to seek a foreign market. It is questionable, in fact, whether any actual reciprocity, embracing many of the articles now in the treaty can be maintained between the two countries. Even in regard to the fisheries, it is by no means certain that, instead of equivalents having been acquired under the treaty, more than equal advantages were not surrendered by it. But, whatever the facts may be, this subject, as well as that of intercommunication through rivers and lakes, and possibly canals and railroads, are proper subjects of negotiation, and their importance should secure early consideration.

It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the treaty has been the cause of no little embarrassment. The subject of the revenue should not be embarrassed by treaty stipulations, but Congress should be left to act upon it freely and independently. Any arrangement between the United States and the Canadas and Provinces that may be considered mutually beneficial can as readily be perfected and carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times, according to its discretion.

However desirable stability may be, an irrepealable revenue law, even in ordinary times, is open to grave objections, and in any extraordinary crisis is likely to be pernicious. The people of the United States cannot consent to be taxed as producers while those outside of our boundaries, exempt from our burdens shall be permitted, as competitors to have free access to our markets. It is desirable to diminish the temptations now existing for smuggling, and if the course suggested of mutual legislation should be adopted, a revenue system, both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbors, by which this result would be most likely to be obtained.

MINING LANDS.

The attention of Congress is again called to the importance of early and definite action upon the subject of our mineral lands, in which subject are involved questions not only of revenue, but social questions of a most interesting character.

Copartnership relations between the Government and miners will hardly be proposed, and a system of leasehold, (if it were within the constitutional authority of Congress to adopt it, and if it were consistent with the character and genius of our people,) after the lessons which have been taught of its practical results in the lead and copper districts, cannot of course be recommended.

After giving the subject as much examination as the constant pressure of official

duties would permit, the Secretary has come to the conclusion that the best policy to be pursued with regard to these lands is the one which shall substitute an absolute title in fee for the indefinite possessory rights or claims now asserted by miners.

The right to obtain a "fee simple to the soil" would invite to the mineral districts men of character and enterprise; by creating homes (which will not be found where title to property cannot be secured), it would give permanency to the settlements, and, by the stimulus which ownership always produces, it would result in a thorough and regular development of the mines.

A bill for the subdivision and sale of the gold and silver lands of the United States was under consideration by the last Congress, to which attention is respectfully called. If the enactment of this bill should not be deemed expedient, and no satisfactory substitute can be reported for the sale of these lands to the highest bidder, on account of the possessory claims of miners, it will then be important that the policy of extending the principle of pre-emption to the mineral districts be considered. It is not material, perhaps, how the end shall be attained, but there can be no question that it is of the highest importance, in a financial and social point of view, that ownership of these lands in limited quantities to each purchaser, should be within the reach of the people of the United States who may desire to explore and develop them.

In this connection it may be advisable for Congress to consider whether the prosperity of the treasure-producing districts would not be increased, and the convenience of miners greatly promoted, by the establishment of an assay office in every mining district from which an actual production of gold and silver amounting to ten millions of dollars is actually obtained.

PREVENTION OF SMUGGLING.

The attempts at smuggling, stimulated by the high rates of duties on imports, have engaged the attention of the department, and such arrangements have been made for its detection and prevention as seemed to be required by the circumstances; and available for that purpose.

It is quite apparent, however, that, with our extensive seacoasts and inland frontier, it is impracticable entirely to prevent illicit traffic, though checks at the most exposed points have, doubtless, been put to such practices.

In this connection, it may be remarked, that the revenue cutters are diligently and usefully employed in the preventive service, within cruising limits, so defined as to leave no point of sea and gulf coasts unvisited by an adequate force.

A similar arrangement will be extended to the lakes on the re-opening of navigation, the cutters built for that destination not having been completed in time to be put in commission before its close.

The cutters are an important auxiliary to the regular customs authorities, in the collection and protection of the public revenue, by the examination of incoming vessels and their manifest of cargo; affording succor to vessels in distress; aiding in the enforcement of the regulations of harbor police, and otherwise preventing or detecting violations or evasions of law. A service of this description is unquestionably useful, if not indispensable, to the administration of the revenue system of a maritime and commercial country with such extensive sea, lake, and gulf coasts as our own.

There are now in the service twenty-seven steamers and nine sailing vessels. Of the steamers, seven are of the average tonnage of 350 tons, and draw nine feet of water. These large vessels were constructed during the progress of the late rebellion, and were designed for the combined purpose of a naval force and a revenue coast guard. Their heavy armaments, large tonnage, and crews, however well fitted for such purposes, are not adapted for the revenue service in a time of peace. In consequence of their great draft of water, they must be used mainly as sea-going vessels, and are incapable of navigating the shallow waters of the coasts and their tributaries, which afford the most favorable opportunities for contraband trade. Independently of these considerations, they are so constructed as to be unable to carry a supply of fuel for more than three, or possibly four days, at the farthest.

It is recommended, therefore, that this department be vested with authority to sell the vessels of this description, and expend the proceeds in the purchase of others of a different character and lighter draft, and on that account better fitted to accomplish the purposes of a preventive service, and which can be kept in commission at a cost more than one-third less than those of the former class.

For example, the difference in the cost of running for twelve months the Mahoning, one of the first-named class, and the Nansemond, one of the latter class, is \$27,606.

The Mahoning, with twelve tons of coal per diem, can make but eight knots per hour, while the Nansemond, with eight tons of coal per diem, will make twelve knots per hour. The Nansemond, drawing but six feet nine inches, is enabled to cruise in waters entirely inaccessible to the Mahoning.

To render the service effective and economical, cutters should be of light draft, manned by a small crew, and able to navigate the shoal waters and penetrate the inland bays rivers and creeks, with which our sea, lake, and gulf coasts abound, but of sufficient tonnage to enable them to perform efficiently and safely the duties of a coast guard at sea, and to furnish succor to vessels in distress; and at the same time to navigate the interior waters for the prevention of smuggling, and reach readily a port of refuge in the tempestuous weather prevailing at times along our coast, should they be forced to do so.

NATIONAL BANKS AND THEIR CIRCULATION.

By the report of the Comptroller of the Currency, it appears that sixteen hundred and one banks had been, on the 31st of October last, organized under the National Banking Act. Of these, six hundred and seventy-nine were original organizations, and nine hundred and twenty-two conversions from State institutions.

The Comptroller recommends several amendments to the acts, which will arrest the attention of Congress.

* * * * *

The National Banking system was designed not only to furnish the people with a sound circulation, but one of uniform value; and this is not likely to be fully accomplished until the banks by compulsion, or their own voluntary act, keep their notes at par in the principal money markets of the country.

The establishment of the National Banking system is one of the great compensations of the war—one of the great achievements of this remarkable period. In about two years and a half from the organization of the first National Bank, the whole system of banking under State laws has been superseded, and the people of the United States have been furnished with a circulation bearing upon it the seal of the Treasury Department as a guaranty of its solvency. It only remains that this circulation shall be a redeemable circulation; redeemable not only at the counters of the banks, but at the commercial cities, to make the National Banking system of almost inconceivable benefit to the country.

The present law limits the circulation of the National Banks to three hundred millions of dollars; and it is not probable, when the business of the country returns to a healthy basis, that a larger paper circulation than this will be required. Indeed it is doubtful whether a larger circulation can be maintained on a specie basis. Should an increase, however, be necessary, it can be provided for hereafter. It is, perhaps, unfortunate that a greater restriction had not been placed upon the circulation of the large banks already organized, in view of the wants of the Southern States. It is quite likely, however, that the anticipated withdrawal of a portion of the United States notes (not to speak of the effect of the restoration of specie payments) will so reduce the circulation of the northern banks as to afford to the South under the present limitation of the law, all the paper currency which will be required in that quarter.

THE SEVEN-THIRTY LOAN.

The Act of March 3, 1865, authorized the Secretary to borrow any sums not exceeding six hundred millions of dollars and to issue therefor bonds or Treasury notes of the United States in such form as he might prescribe.

Under this act there was issued during the month of March \$70,000,000 of notes payable three years after date, and bearing an interest, payable semi annually in currency at the rate of seven and three-tenths per cent per annum, and convertible at maturity, at the pleasure of the holders, into five-twenty gold-bearing bonds.

Upon the capture of Richmond, and the surrender of the confederate armies, it became apparent that there would be an early disbanding of the forces of the United States, and, consequently heavy requisition from the War Department for transportation and payment of the army, including bounties. As it was important that these requisitions should be promptly met, and especially important that not a soldier should remain in the service a single day for want of means to pay him, the Secretary perceived the necessity of realizing as speedily as possible the amount—\$50,000,000—still authorized to be borrowed under this act. The seven and three-tenths notes had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to the government, the Secretary considered it

advisable, under the circumstances, to continue to offer these notes to the public, and to avail himself, as his immediate predecessor had done, of the services of Jay Cooke, Esq., in the sale of them. The result was in the highest degree satisfactory. By the admirable skill and energy of the agent, and the hearty co-operation of the National Banks, these notes were distributed in every part of the Northern, and some parts of the Southern States, and placed within the reach of every person desiring to invest in them. No loan ever offered in the United States, notwithstanding the large amount of government securities previously taken by the people, was so promptly subscribed for as this. Before the first of August the entire amount of \$550,000,000 had been taken, and the Secretary had the unexpected satisfaction of being able, with the receipts from customs and internal revenue and a small increase of the temporary loan, to meet all the requisitions upon the Treasury.

On two hundred and thirty million of these notes the government has the option of paying the interest at the rate of six per cent in coin, instead of seven and three tenths in currency. The Secretary thought it advisable to reserve this option, because he indulged the hope that before their maturity specie payments would be restored, and because six per cent in coin is as high a rate of interest as the government should pay on any of its obligations.

SALES OF GOLD.

The receipts of coin have been for some months past so large that there have been constant accumulations beyond what has been required for the payment of the interest on the public debt. The Secretary has, therefore, deemed it to be his duty to sell, from time to time, a portion of the surplus for the purpose of supplying the wants of importers and furnishing the means for meeting the demands upon the Treasury for currency. The sales have been conducted by the Assistant Treasurer in New York in a manner entirely satisfactory to the Department, and, it is believed, to the public. The sales, up to the first of November, amounted to \$27,993,216 11, and the premium to \$12,310,459 76; thus placing in the Treasury for current use, the sum of \$40,803,675 87, without which there would have been a necessity for the further issue of interest-bearing notes.

SINKING FUND.

The necessities of the Treasury have been such that a compliance with the requirements of the act of February 25, 1862, for the creation of a sinking fund, has been impracticable. As long as it is necessary for the Government to borrow money, and to put its obligations upon the market for sale, the purchase of these obligations for the purpose of creating a sinking fund would hardly be judicious. After the expiration of the present year, the income of the Government will exceed its expenses; and it will then be practicable to carry into effect the provisions of the law. The Secretary is, however, of the opinion that the safe and simple way of sinking the national debt is to apply directly to its payment the excess of receipts over expenditures. He therefore respectfully recommends, that so much of the act of February 25, 1862, as requires the application of coin to the purchase or payment of one per cent of the entire debt of the United States to be set apart as a sinking fund, be repealed.

GOLD NOTES.

By virtue of the authority conferred by the fifth section of the act of March 3, 1863, the Treasurer of the United States, and the Assistant Treasurer in New York have been instructed to receive deposits of coin and bullion, and to issue certificates therefor in denominations of not less than twenty dollars.

Instructions were given for the issue of these certificates to promote the convenience of officers of customs and of the Treasurer and Assistant Treasurers, and for the accommodation of the public. Other considerations also prompted the Secretary to avail himself of the authority referred to. It is expected that the credit of the Government will be strengthened by the coin which will be thus brought into the Treasury, and that the effect of the measure will be to facilitate to some extent a return to specie payments. If the experiment should be satisfactory in New York, it will be extended to other commercial cities.

* * * * *

HUGH McCULLOCH,
Secretary of the Treasury.

HON. SCHUYLER COLFAX,
Speaker of the House of Representatives.

THE UNITED STATES DEBT.

We give below the statement of the Public Debt, prepared from the reports of the Secretary of the Treasury for October and November, and January 1, 1866.

DEBT BEARING INTEREST IN COIN.				
Denominations.		October 31.	November 30.	Jan. 1, 1866.
6 per cent, due	December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250
6 do	July 1, 1868.....	8,908,842	8,908,842	8,908,842
6 do	January 1, 1874.....	20,000,000	20,000,000	20,000,000
6 do	January 1, 1871.....	7,022,000	7,022,000	7,022,000
6 do	December 31, 1860.....	18,415,000	18,415,000	18,415,000
6 do	June 30, 1861.....	50,000,000	50,000,000	50,000,000
6 do	June 30, 1861, exch'd for 7.30s	139,331,400	139,252,450	139,331,000
6 do	May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
6 do	November 1, 1863-84 (5.20 years)	100,000,000	1,000,000,000	100,000,000
6 do	November 1, 1870-85 (5.20 years)	44,479,100	50,590,800	50,590,800
5 do	March 1, 1874-1904 (10.40s) ...	172,770,100	172,770,100	172,770,100
6 do	July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
6 do	June 30, 1861.....	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest.....		\$1,161,137,092	\$1,167,169,942	\$1,167,148,292
DEBT BEARING INTEREST IN LAWFUL MONEY.				
4 per cent Temporary Loan	{ 10 days' {	\$612,728	\$612,228	97,357,195
5 do do	{ notice. {	21,309,710	21,644,710	
6 do do	{	97,185,307	97,364,108	
6 do	Certificates (one year).....	55,906,000	55,921,000	60,667,000
6 do	One and two-years' notes.....	32,536,901	32,536,901	8,536,900
6 do	Three years' comp. interest notes...	172,012,141	167,012,141	18,012,141
6 do	Thirty-year bonds, (cent'l Pacific R.)	1,258,000	1,898,000	2,362,000
6 do	do (Union Pacific R. E. Div.)	.....	640,000	640,000
7.20 do	Three years' treasury notes, 1st series	300,000,000	300,000,000	300,000,000
7.30 do	do do 2d series	300,000,000	300,000,000	300,000,000
7.30 do	do do 3d series	230,000,000	230,000,000	230,000,000
Aggregate of debt bearing lawful money int...		\$1,191,819,787	\$1,177,581,149	\$1,179,475,236
DEBT ON WHICH INTEREST HAS CEASED.				
7.30 per cent	Three years' notes.....	\$308,150	\$200,500	\$340,000
do	Texas indemnity bonds.....	760,000	726,000	726,000
Other bonds and notes.....		308,770	200,900	208,800
Aggregate of debt on which int. has ceased...		\$1,373,920	\$1,187,400	\$1,163,800
DEBT BEARING NO INTEREST.				
United States Notes.....		\$400,000,000	\$339,581,194	\$426,231,390
do do (in redemp. of the temp loan)		23,160,500	23,160,202	
Fractional currency.....		26,057,400	26,108,197	
Currency.....		\$454,218,038	\$452,860,264	\$452,231,810
Gold certificates of deposit.....		.....	7,200,440	7,283,140
Uncalled for pay requisitions.....		600,900	509,231	1,220,006
Aggregate of debt bearing no interest.....		\$454,868,938	\$460,556,264	\$459,519,959
Amount in Treasury—				
Coin.....		34,554,987	47,224,379	45,735,551
Currency.....		33,800,591	44,587,141	44,993,271
Total in Treasury.....		\$68,355,578	\$91,811,520	\$90,728,822
RECAPITULATION.				
Debt bearing interest in coin.....		\$1,161,137,091	\$1,167,169,942	\$1,167,148,292
Debt bearing interest in lawful money.....		1,191,819,787	1,177,581,149	1,179,475,236
Debt on which interest has ceased.....		1,373,920	1,187,400	1,163,800
Debt bearing no interest (currency).....		454,218,038	460,047,033	459,519,959
Uncalled for requisitions.....		600,900	509,231	1,220,006
Aggregate debts of all kinds.....		\$2,808,210,336	\$2,806,444,835	\$2,807,310,358
Cash in treasury.....		68,355,578	91,811,520	90,728,822
ANNUAL INTEREST PAYABLE ON DEBT.				
Payable in gold.....		\$67,670,340	\$68,092,375	\$68,030,976
Payable in lawful money.....		71,267,738	70,864,680	70,186,131
Aggregate amount of int. payable annually— not including int. on the 8 years' comp. int. notes, which is payable only at maturity....		\$138,938,078	\$138,956,955	\$138,217,107
LEGAL TENDER NOTES IN CIRCULATION.				
One and two years' 5 per cent notes.....		\$32,536,901	\$32,536,901	\$3,536,900
United States notes (currency).....		423,160,500	426,741,896	426,231,390
Three years' 6 per cent compound int. notes..		172,012,141	167,012,141	180,012,141
Aggregate legal tender notes in circulation....		\$633,709,541	\$626,290,438	\$644,780,431

COMMERCIAL CHRONICLE AND REVIEW.

Report of Mr. McCulloch—Government Receipts and Expenditures past, present, and prospective—Monthly Statement of Debt criticized—Prices of leading articles for eight years—Action of Congress on Contraction—President's Message and United States Securities—Railroad Stocks—Prices of Gold—Movements of Treasure for Year—Exchange prices of, &c.

THE reassembling of Congress, the message of the President, and the reports of his Secretaries to Congress, are the chief matters of interests the past month. Never has the annual report of the Secretary of the Treasury been looked for with more general anxiety, or been received with more distinguished marks of public approval than that of Mr. McCulloch, to which we devote a large part of this number of the Magazine. It comprises the transactions of the year ending 30th June last, and the financial history of the most critical period of the war, which it contains, will attract the attention of one class of readers, while its statements as to our future financial policy awakens the interest of all. This able state paper is valuable as a record of the past no less than as a forecasting of the future.

In looking over the balance sheet of the national Treasury here spread before us, the first point which attracts attention is the prodigious resources of our people who, after more than three years of exhausting war expenditure have, without resorting to any foreign loan, contrived to raise among themselves no less than 1,800 millions of dollars. To this most significant fact history affords no parallel, and to it, future republican nationalities in both hemispheres, will look with pride and emulation, in like times of crushing trial and patriotic self sacrifice. Let us briefly examine the details, however.

At the opening of the last session, Congress supposed, and the Treasury estimate stated, that the deficit for the fiscal year 1864-5 would amount to 482,000,000. Such however, were the expenditures incident to the struggle, that we have had to provide for nearly twice that amount, or 942,000,000. And much of this sum was to be raised when gold was wildly fluctuating above 200, and United States bonds were quoted below 40. Besides this 942,000,000, however, we had to provide for over 150,000,000 of maturing short obligations, which were to be paid in money as they fell due. Moreover, our internal taxation proved less productive than was anticipated. Instead of yielding 300,000,000 it brought into the Treasury but 209,000,000. The customs also fell off from 162,000,000 in 1864 to 85,000,000 in 1865.

We will not now revive the unwelcome memory of the circumstances which, in the spring and summer of 1864, so damaged the national credit that the proposal for a loan of 33,000,000, advertised on the 25th of June was withdrawn on the 2d of July, as it was evident "that such loan would not be taken on terms which it would be the interest of the government to accept." Suffice it to say, that by skillful management the public confidence was gradually restored and all opposing difficulties were surmounted by Mr. Fessenden and by his successor Mr. McCulloch. The tabular exhibit on page 12 of the report, shows that of the 1,100,000,000 wanted, 257,000,000 were funded in five and six per cent long

bonds; 671,000,000 were raised by the Seven thirties, and the remainder chiefly by the issue of compound-interest legal tenders, which have now almost ceased to pass current as active paper money.

Our space forbids a detailed account of this part of the report, and we content ourselves with simply compiling from it the following table, which shows the gradual increase of our national debt since the beginning of the war, with the responsive growth of our fiscal strength to bear the burdens it has imposed upon us. We have added the estimates for the years 1866 and 1867, and the amounts are stated in millions of dollars:

	Principal of debt. Millions.	Increase during the year. Millions.	War and navy expenses. Millions.	Customs & internal revenue. Millions.	Interest on debt. Millions.
1861.....	90·887	.....	35·388	39·582	4·034
1832.....	514·211	423·343	437·042	49·056	13·190
1863.....	1,098·793	584·581	662·509	106·700	24·729
1864.....	1,740·690	641·897	776·525	212·057	53·685
1865.....	2,682·523	941·902	1,153·891	294·892	77·397
1866*.....	2,794·787	112·194	524·678	418·624	132·986
1867*.....	2,683·105	.....	82·900	375·000	141·542

But there are other points of the gravest practical importance which these figures illustrate besides the expansiveness of our national resources and our ability to bear a heavy fiscal burden. They show how rapidly the pressure on our other resources is diminishing. The war department, on which 1,031 millions were expended last year, is estimated at 473,000,000 in 1866, and 38,000,000 in 1867. The navy expenditure, which was 122,000,000 last year, will be 51,000,000 in 1866, and is to be reduced to 44,000,000 in 1867. The effect on the public credit produced by reductions on so vigorous a scale, and extended to all the details of the government expenditure, it is impossible to over estimate. for in national finances good credit chiefly means economy and good administration.

Secondly, it appears from Mr. McCulloch's estimates that this contraction will reach the national debt as well as the national expenditures. The debt of the United States, he says, has increased since the end of June last, when the fiscal year ended. He has borrowed \$138,773,097 22 since that time, but so large was the income from internal revenue and from other sources during the month of September, that he has paid off 13,000,000 of this amount, and he expects to reduce the 138,000,000 to 112,000,000 before the end of the current fiscal year. If so, we have traversed the highest peak in the mountain of our indebtedness, for during the year 1867 Mr. McCulloch is sanguine enough to expect that he will pay off 111,000,000 more. To estimate the full force of these reductions, we must remember that of our debt of 2,808,000,000, less than one-half is in long bonds, and the remainder has to be funded in a permanent shape with as little delay as possible. To facilitate still more this funding operation, Mr. McCulloch brings forward a scheme to pay off the national debt in a little more than a quarter of a century. On this plan we shall have some suggestions to make on another occasion. But apart from all considerations of early redemption, there is no doubt that our long bonds will be easily negotiated if Mr. McCulloch's anticipations prove true, and we realize an excess of income from taxation over the national expenditure.

* Estimated.

The last point we shall cite from the report is that which refers to the contraction of the volume of our paper money. True to the sound principles of finance which he has always professed, Mr. McCulloch opposes any increase of National Bank currency, and asks for further power to withdraw from circulation the interest-bearing legal tenders. In this matter of contracting the currency the policy of the government, as expressed by the President, the Secretary of the Treasury, and the Comptroller of the Currency, is approved by the press and by the people, and has also received the sanction of Congress.

The official monthly statement of our National Debt will be found on another page, and among its interesting details we may mention the new gold notes, which have not increased during the month, and are evidently less popular than was anticipated by their promoters. We were told that by the gold note policy vast amounts of coin would be gathered in from hoards, and attracted to the Sub-Treasury, where, in some mysterious way, this borrowed gold was to help the Government credit. So far, however, very little coin seems to have been deposited in this way. And the seven millions of gold deposits now in the Treasury vaults, appear to be chiefly useful as affording to the dealers in specie, free of charge, the facilities for speculation and for safe keeping of coin, which formerly they had to pay heavily for at the Bank of New York.

The compound interest notes have increased 13 millions since 1st December, and amount now to 180 millions. As the official statement is printed this month in much less convenient form than usual, and does not show, as heretofore, how large an amount of these compound notes has been destroyed, we have no opportunity of verifying the rumor which is again current in Wall street that Mr. McCulloch, to save the interest accumulated, is cancelling all the old inert notes that are paid into the Treasury, and supplying their place with new ones. It is to be observed also that the increase in the aggregate amount of compound notes have not arisen from Mr. McCulloch's having converted greenbacks into them as he has legal authority to do. The greenbacks amount still to 426 millions, at which sum they have stood for some time past.

The objection has been raised to this method of converting greenbacks into compound notes, that the process involves a considerable loss of interest. But there is an equal, or even a greater difficulty attending every other method of contraction; and yet the benefits far outweigh the cost. Moreover, this plan has the advantage of having stood the test of experience. It has been tried on a large scale, and so far the successful results have realized the anticipation of Mr. Chase, when he made the experiment of issuing compound notes in 1864. The importance in this point of view of the contracting of our active currency, which the conversion into compound legal tenders has effected, it is impossible to over-estimate. None of the plans of contraction hitherto proposed have done half as much, and none have operated so imperceptibly, and with so little derangement of the credit-machinery or of the business interests of the country.

The third point demanding special notice in the statement before us, is the increase of the demand loans. Their amount has now advanced to \$97,257,194, an increase of nearly eight millions for the month. It will be remembered that

the act of 30th June, 1864, authorized the increase of these call loans to one hundred and fifty millions. This increase was necessary as a war measure, and to give the necessary elasticity to our financial machinery during the prodigious fiscal efforts of the closing year of the war. There are, however, numerous evils which, since the return of peace, have arisen from the large unwieldy dimensions of these demand loans. The chief objection to them, however, is that they prevent contraction, and favor inflation of the currency. It is reported, and the rumor is welcomed with much satisfaction in financial circles, that Mr. McCulloch intends to announce the cessation of interest at an early day on all call loans above five per cent. This conservative movement could not but be attended by the best results.

We are glad to see that an increase is taking place in the certificates of indebtedness. These securities are extremely scarce, and before the excessive issues which flooded the market with them towards the close of Mr. Chase's administration, they were very much sought after for temporary investment, and commanded high rates. The aggregate now out is \$60,667,000, and this amount might no doubt be gradually increased to 100,000,000, if the issue could be made at about the present market price. Of all the short-date obligations of the Treasury, the certificates of indebtedness have probably been productive of the least practical embarrassment to the department. Had a freer use been made of these securities, the retiring of twenty-four millions of maturing five per cent legal tenders would not have necessitated an issue of thirteen millions of compound interest notes, or, what is even more objectionable, an increase of eight millions in the call loans.

To show the growth and extent of the inflation of nominal values by our greenback irredeemable currency we give below a comparative table of the wholesale prices at this port of the leading articles of foreign and domestic produce from 1859 to the present time. We do not, of course, wish to be understood as urging that the depreciation of our paper money is the sole cause of the advance which has taken place. We have repeatedly stated that the prices of all sorts of commodities are raised by our heavy taxes, by speculation, by a number of circumstances which during the war have either increased the cost of production, or disturbed the relations of demand and supply. No one whose opinion is entitled to credit can overlook these causes of the fluctuation of market values. But the point we raise is that the high prices which have prevailed among us are only partially and in a very subordinate degree accounted for by these minor causes. Beyond and above all these in its influence on values, is the depreciation of the currency. Prices have risen far more than they ever could otherwise have done, because the dollar is not worth as much as in specie paying times. The paper dollar has lost part of its purchasing power. It is not worth its normal value of ten silver dimes. To-day it only represents seven. Next month it may perhaps be worth eight. A year ago it would not purchase five. It requires no mathematical genius to show us that prices expressed in these depreciated paper dollars must be higher and more fluctuating than if expressed in gold dollars. Remembering, then, that depreciation of the currency is the great producer of high prices, let us examine in the light of this

principle the course of inflation as shown by the sales in open market from which we have compiled the subjoined table. We give the prices, January 3d, of each of the last eight years:

PRICES OF LEADING ARTICLES FOR EIGHT YEARS.

	1859.	1860.	1861.	1862.	1863.	1864.	1865.	1866.
	\$ c	\$ c	\$ c	\$ c	\$ c	\$ c	\$ c	\$ c
Ashes, pots.....100 lbs.....	6 62½	5 12½	5 00	6 25	8 50	8 50	11 75	9 00
Pearls	6 00	5 87½	5 00	6 25	8 25	9 75	18 00	11 00
Breadstuffs—								
Wheat flour, State..bbl.....	4 80	4 80	5 85	5 50	6 05	7 00	10 00	8 75
Wheat, best ex. Genesee.....	7 75	7 50	7 50	7 50	8 75	11 00	15 00	14 00
Rye flour,	3 75	4 00	4 00	3 87½	5 45	6 65	9 00	6 10
Corn meal, Jersey.....	3 40	3 90	3 15	3 00	4 00	5 65	8 80	4 25
Wheat, white Ge. nbush.....	1 40	1 50	1 45	1 50	1 60	1 80	2 60	2 63
White Michigan.....	1 25	1 50	1 45	1 50	1 53	1 83	2 70	2 75
White Ohio.....	1 30	1 45	1 45	1 48	1 53	1 83	2 60	2 63
White Southern.....	1 45	1 45	1 45	1 52	....	....	2 75	2 45
Red Western.....	1 20	1 30	1 38	1 42	1 48	1 57	2 45	2 03
Chicago Spring.....	....	....	1 18	1 30	1 33	1 48	2 22	1 85
Rye, Northern .. bush.....	78	92	75	83	96	1 30	1 75	1 05
Oats, State.....	53	46½	37	42	71	93	1 06	62
Corn, old Western.....	78	90	72	64	82	1 30	1 90	95
Corn, new Southern.....	75	80	72½	68	86	....	....	....
Cotton, mid. upland....lb.....	12	11	12½	25½	68½	82	1 20	52
Mid. New Orleans....	12½	11½	12½	26	68	..	1 21	53
Fish, dry cod.....qtl.....	4 00	4 50	3 50	3 50	4 50	6 75	9 00	9 25
Fruit.—Bunch raisins..bx.....	2 05	2 52	1 75	3 20	3 50	4 00	5 85	4 40
Currents.....lb.....	7½	6	4½	9 18@13½	15	21	15	15
Hay, shipping.....100 lbs.....	80	1 00	90	77½	85	1 45	1 55	75
Hops.....lb.....	15	18	25	20	23	33	40	50
Iron—Scotch pig.....ton.....	25 00	24 50	21 00	23 00	23 50	45 00	63 00	52 00
English bars.....	55 00	53 00	52 00	57 00	77 50	90 00	190 00	130 00
Laths.....per M.....	2 12½	2 00	1 30	1 25	1 45	1 50	2 40	5 00
Lead—Spanish.....ton.....	5 50	5 65	5 25	7 00	8 00	10 50	15 00	10 00
Galena.....	5 85	5 77½	5 50	7 12½	8 00	10 50	16 00	....
Leather—hemlock, sole..lb.....	24	30	10½	20½	37	30 00	42	26
Oak.....	30	30	27	28	33	42	52	39
Lime, com. Rockland..bbl.....	75	75	75	65	85	1 3.	1 15	1 10
Liquors, brandy, cog'c.gal.....	3 00	3 26	2 00	4 00	5 25	....	....	....
Domestic whiskey.....	24½	26	1½	20½	39	91	2 24	2 27½
Molasses, N. Orleans...gal.....	37	53	37	53	55	70	1 48	1 15
Naval stores—								
Crude turpentine.....bbl.....	3 68½	3 43½	2 75	10 00	..	..	..	9 00
Spirits turpentine....gal.....	49	44½	35	1 47½	2 60	2 95	2 10	1 05
Common rosin, N. C..bbl.....	1 55	1 65	1 25	6 0	10 50	30 0	28 00	6 50
Old—crude whale.....gal.....	53	52	51	48	83	1 10	1 48	1 60
Crude, sperm.	1 36	1 40	1 40	1 40	1 75	1 60	2 13	2 50
Linseed.....	65	57	50	86	1 27	1 47	1 50	1 45
Provisions—								
Pork, old mess.....bbls.....	17 00	16 37½	16 00	12 00	14 50	19 50	43 00	28 50
Pork, old prime.....	13 00	11 75	10 50	8 50	12 50	14 50	36 25	23 50
Beef, city mess.....	9 00	9 00	6 00	5 50	12 00	14 00	30 50	20 00
Beef, repacked Chicago.....	9 50	9 50	9 00	11 00	13 00	15 00	23 00	24 00
Beef hams, extra	15 00	14 50	14 00	14 50	15 50	18 30	27 00	35 00
Hams, pickled	9½	9½	8	6	8	11	20	16½
Shoulders, pickled	6½	6½	5½	4½	5½	8½	18	14
Lard.....	11½	10½	10½	8½	10	18	23	19
Butter, Ohio.....	18	16	14	15	22	24	45	30
Butter, State.....	20	20	18	19	23	29	55	48
Butter, Orange County.....	25	24	23	23	25	32	63	50
Cheese.....	9	11	10	7	12	15½	21	18½
Rice, good.....100 lbs.....	3 50	4 20	4 00	7 00	8 75	10 00	13 00	12 50
Salt, Liverpool, ground..sk.....	90	1 15	65	76	1 25	1 85	2 27	2 00
Liverpool, fine, Ashton's.....	1 38	1 95	1 60	1 70	2 15	2 80	4 75	4 10
Seeds, clover	9½	8½	8½	7½	10½	12½	27	14
Sugar, Cuba, good.....	7	7½	6½	8½	10	12	19	13
Tallow.....	10	10½	9½	9½	10½	12	18	14
Whalebone, polar	95	90	88	76	1 65	1 60	2 25	1 55
Wool, fleece.....	36	40	30	50	60	75	95	75

Excluding cotton, iron, rosin, and a few other articles whose fluctuations in value are partly due to other well-known causes, we find the general course of prices tending upwards during the increase of our paper money. That increase reached its highest point some time ago, since which our paper money has been gradually diminishing, and as our paper currency has grown less so prices have fallen too.

Never since the passage of the legal tender act in February, 1862, has any more important currency measure received the sanction of Congress than the resolution which was offered on the 18th of December, by Mr. Alley, in the House of Representatives. This resolution declares that the House "cordially concurs in the views of the Secretary of the Treasury in relation to the necessity of the contraction of the currency with a view to as early a resumption of specie payments as the interests of the country will permit," and pledges "co-operative action to that end as speedily as possible."

The decisive vote of 144 to 6 by which this conservative and sound policy was adopted naturally seals the fate of the mischievous schemes of further inflation which of late have been urgently pressed forward in certain quarters; and gives a pledge that our redundant currency is not only to receive no further increase, but will be steadily contracted from this time forward, until its normal volume is reached and specie payments are resumed. This assurance is regarded with the liveliest satisfaction; and the various methods which have been proposed for calling in our superfluous paper money are everywhere canvassed with a warmth and earnestness which show that the public mind is alive to the delicacy of the work of contraction and to the mischiefs which will ensue if it be unwisely done.

The effect of the President's Message on Government securities both at home and abroad, is an instructive feature of the past month. On the publication of the Message here an upward impulse was at once given to all government bonds, but because of the continued depression in Europe the rise was checked. When, however, the steamer reached London with the Message the effect there was even more decided, and a rise of from two to three cents in the gold price of the bonds was at once established. This advance reacted here, and instead of last month's closing prices at about 100 for Five-twenties, the same bonds were selling the last of December at 105. We give below the prices each week.

The following table shows the prices of Governments and Gold since July:

PRICES OF UNITED STATES PAPER AND GOLD.

	—6's, 1881.—		—5-30's, new iss—		10-40's.	1 year certifi.	Gold price.
	Reg.	Coup.	Reg.	Coup.			
July 5,....	110½	110½	104	105	97½	99½	139½@140½
" 12,....	107½	107½	105	105½	97½	99½	140½@142½
" 19,....	107½	107½	104½	105	97	99½	142½@143
" 26,....	107	107½	105	105½	97	98	143½@143½
Aug. 5,....	107	107½	104½	105½	97½	97½	143½@143½
" 12,....	106½	106½	104½	104½	97½	97½	141½@142
" 19,....	106½	106½	104½	104½	97½	98½	143½@144½
" 26,....	106½	106½	104½	104½	98½	98½	144 @144½
Sept. 2,....	107½	107½	104½	104½	94½	98½	144½@144½
" 9,....	107½	107½	105½	105½	94½	98½	144½@144½
" 16,....	107½	107½	105½	105½	94	98½	142½@143½
" 23,....	107½	108	106½	106½	94½	98½	143½@143½
" 30,....	107½	107½	106	107	94½	98½	144 @144½
Oct. 7,....	107½	107½	101½	101	93½	98½	146 @146½
" 14,....	107	107½	102	102	93½	98½	144½@144½
" 21,....	106	106½	101½	101½	93	97½	145½@146½
" 28,....	106	106½	101	101½	92½	98	145½@145½
Nov. 4,....	106½	106½	101½	101½	92½	97½	146½@147½
" 11,....	106½	106½	100½	100½	91½	97½	146½@146½

	—6's, 1831.—		—5-20's, new iss—		10-40's.	1 year certif.	Gold price.
	Reg.	Comp.	Reg.	Comp.			
" 18,....	105½	105½	100½	100½	91½	97½	146½@147
" 25,....	106	105½	100	101½	91	97½	146½@147½
Dec. 1,....	106½	106½	99½	101½	90¾	97½	147½@148
" 8,....	108½	107½	99½	102½	91½	97½	145½@148½
" 15,....	10½	107½	99½	104	91½	97½	144½@146½
" 22,....	108½	107½	100½	103½	92½	97½	145½@146½
" 29,....	108½	107½	100½	105	9½	98½	145 @145½

Railroad stocks have been weak during the month. The prospect of future earnings being smaller leads to the belief or fear that many of our dividend-paying roads will soon cease to pay dividends. The immense increase of earnings during the war was due chiefly to the closing of the Mississippi. The blockade of that important outlet for Western produce not only forced an increased amount of freights over the Eastward routes, but by removing competition enabled the roads to largely enhance their rates of transportation. This temporary monopoly has enabled most of the roads to pay dividends; and their stocks have advanced to a price justifiable only by the prospect of their having reached a permanent dividend-paying basis. Many of the roads have reduced their debts, improved their roadway, increased their rolling stock and placed their works in a generally effective position, which are very material considerations in estimating the value of stocks. The question of chief importance is whether, in spite of these improvements, the reopening of the Mississippi route, when fully provided with steamers, will not remand many of the roads back into a non-dividend-paying condition? The roads connecting with the East will inevitably suffer a diminution in the amount of their traffic; and the river competition will materially reduce the rates of freight. The result of this competition is already showing itself in a decline of the current earnings of the leading roads. At the same time, it is necessary to set off against these disadvantages the fact that the steady decline in prices and the inevitable fall in wages will enable the roads to reduce their running expenses, while the natural expansion of commerce will increase the amount of produce seeking transportation. Certain roads will be subject to damaging competition from the Atlantic and Great Western road, when its arrangements are completed—a circumstance which alone might be considered unimportant, but when associated with the revival of river competition is of much practical consequence.

Upon the whole, these considerations appear to warrant the conclusion that, with energy and economy of management, many of the roads may permanently pay a good rate of interest upon their stock.

The following table exhibits the share price of the leading railways :

	PRICES OF RAILWAY SHARES.				
	Aug. 25.	Sept. 28.	Oct. 28.	Nov. 29.	Dec. 22.
New York Central	92½	94	97½	96½	96½
Hudson River	109½	109½	106½	106½	108½
Erie	87½	88	92½	91½	96½
Reading	105½	109½	114½	115½	106
Mich. So. and N. I.	64	68	78½	78½	74½
Illinois Central	122	129	137½	132	131½
Cleveland and Pittsburg	71½	71½	82½	91½	88½
Chicago and N. W.	77½	28	30	35½	35½
Chicago and R. I.	109½	112½	107½	107½	108
Fort Wayne	96½	98½	99½	105½	106½

There has been a pretty steady decline in the price of gold during the month. We give below the course of gold for December:

The monthly fluctuations during the year have been as follows. We give elsewhere the price for each day of the year.

January	235	224½	197½	204½	August	144½	145½	140½	144½
February	202½	216½	196½	202	September	144½	145	142½	44½
March	200½	201	148½	167½	October	144½	149	144½	46½
April	181	154½	143½	140½	November	145½	148½	145½	147½
May	145½	145½	128½	137½	December	148	146½	144½	144½
June	137½	147½	135½	141½					
July	141	140½	186½	144	Twelve months	235	234½	12½	14½

The following tables are intended to show the principal movements in treasure for the years since 1860 to the end of 1865, and will explain in some degree the causes of the fluctuations in the prices of gold given elsewhere.

(1.)—GOLD RECEIVED FROM CALIFORNIA.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	\$2,199,532	\$2,227,082	\$220,201	\$2,043,457		
February	2,222,222	951,822	1,250,000	914,755		
March	1,842,405	1,607,176	1,121,222	1,668,975		
April	1,822,317	724,954	854,242	2,207,025		
May	1,979,770	776,122	822,770	1,227,651		
June	1,909,031	809,176	722,951	750,489		
July	1,951,059	726,027	711,845	1,002,205		
August	2,070,198	831,112	1,241,155	1,676,177		
September	2,642,912	770,259	1,129,129	2,040,446		
October	2,817,261	1,032,802	855,278	2,481,248		
November	2,462,122	712,021	862,275	1,252,575		
December	1,577,948	657,626	2,225,619	2,245,263		
Year	\$25,010,116	\$12,207,220	\$12,507,802	\$21,531,721		

(2.)—GOLD IMPORTED FROM FOREIGN COUNTRIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	\$222,050	\$7,222,222	\$122,552	\$101,202	\$121,722	\$22,222
February	120,172	2,274,027	62,027	212,271	72,122	102,724
March	62,024	5,542,402	22,227	122,612	104,427	242,242
April	42,122	1,222,001	22,122	107,051	222,814	222,422
May	22,020	2,422,212	110,222	127,217	220,022	177,422
June	22,272	5,227,122	61,422	102,027	122,721	242,722
July	64,251	6,222,422	212,101	122,242	122,422	252,640
August	140,750	1,042,552	22,702	112,277	242,252	122,072
September	222,222	1,221,012	12,212	72,221	52,220	124,224
October	1,022,222	622,222	222,572	72,052	122,772	77,222
November	442,722	202,222	102,702	102,144	121,027	222,422
December	6,174,051	252,520	72,212	112,221	114,272	127,024
Year	\$2,222,220	\$27,022,412	\$1,220,277	\$1,222,272	\$2,222,222	\$2,127,022

(3.)—GOLD EXPORTED TO FOREIGN COUNTRIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January	\$222,222	\$2,022,222	\$2,222,274	\$4,222,574	\$2,422,072	\$2,124,222
February	277,012	2,522,727	2,772,212	2,222,224	2,012,227	1,022,201
March	2,221,622	2,422,222	2,471,222	2,222,442	1,220,752	221,212
April	2,222,502	1,242,222	4,027,272	1,272,224	5,222,077	271,422
May	5,222,222	272,142	5,124,222	2,112,272	6,422,222	7,222,472

Months.	1860.	1861.	1862.	1863.	1864.	1865.
June	8,842,080	885,062	9,807,614	1,367,774	5,170,551	5,199,472
July	6,553,985	2,009,591	8,067,837	8,268,881	8,809,887	729,986
August.....	7,454,818	1,538,821	8,718,534	5,465,261	1,001,014	1,554,398
September.....	8,758,734	1,642,533	8,068,919	8,480,385	2,835,802	2,494,973
October.....	2,106,895	1,672,617	6,707,519	6,210,156	2,496,221	2,516,226
November.....	535,001	1,851,885	6,218,250	5,483,303	7,267,662	2,046,180
December.....	202,401	2,381,847	8,673,112	5,259,053	6,108,877	2,752,161

Year.....\$42,191,171 \$21,714,481 \$59,437,021 \$49,754,056 \$50,803,122 \$27,624,584

(4.)—GOLD PAID FOR CUSTOM DUTIES.

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$3,899,166	\$2,169,202	\$3,351,457	\$1,291,857	\$6,170,61	\$4,246,899
February.....	8,378,143	2,528,737	8,565,404	2,708,004	7,483,511	4,823,214
March.....	3,477,546	3,488,924	4,628,402	4,293,419	7,670,198	5,471,026
April.....	2,444,268	1,643,262	4,149,952	8,802,918	14,653,573	6,389,560
May.....	2,466,468	979,145	4,704,925	8,726,161	8,908,058	8,230,195
June.	2,024,193	885,062	4,664,927	8,594,934	8,348,011	7,887,554
July	4,504,06	2,069,591	7,211,818	4,724,076	8,641,302	9,908,100
August.....	4,493,243	1,55,824	4,762,582	6,028,569	6,272,002	13,100,400
September....	8,038,803	1,642,583	5,239,046	7,008,116	4,113,210	13,087,062
October.....	2,622,078	1,672,617	4,309,420	6,206,704	8,697,825	11,064,409
November.....	1,794,749	1,851,885	8,003,270	5,114,905	8,487,561	10,138,601
December.....	1,171,853	2,384,847	2,664,594	5,271,991	8,467,863	8,378,835

Year.....\$36,327,481 \$21,714,981 \$52,254,117 \$56,943,454 \$67,926,585\$102,794,945

(5.)—GOLD INTEREST PAID AT TREASURY.

Months.	1864.	1865.	Months.	1864.	1865.
January.....	\$1,156,904	\$2,449,270	July.....	\$1,881,000	\$5,714,567
February.	1,114,002	913,420	August.....	2,106,784	454,575
March.....	258,116	2,009,665	September.....	8,113,699	4,117,419
April.....	5,195,731	163,181	October.....	1,805,006	5,885,808
May.....	4,351,598	10,292,800	November.....	4,032,956	4,243,786
June.....	2,861,772	1,066,274	December.....	8,163,406	2,728,694

Total during the year.....\$33,126,874 \$40,804,279

(6.)—GOLD IN BANKS AND SUB-TREASURY.

1st day of—	1862.	1863.	1864.	1865.
January.....	\$29,030,081	\$40,970,990	\$37,992,534	\$30,054,450
February.....	29,656,711	40,894,786	39,968,522	30,342,250
March.....	31,335,319	41,050,421	43,111,317	34,522,341
April.....	32,971,999	37,338,770	41,160,843	36,350,985
May.....	35,730,817	38,465,814	41,026,220	39,896,077
June.....	38,397,236	40,160,452	36,564,325	42,968,190
July.....	36,634,118	42,641,036	31,057,550	41,098,091
August.....	37,891,876	39,644,227	31,898,050	49,731,490
September.....	37,328,015	38,012,019	33,07,799	52,403,883
October.....	41,832,201	39,146,457	31,944,614	46,595,964
November.....	40,804,481	38,370,261	33,955,867	44,565,483
December.....	33,154,379	36,847,190	33,961,263	50,694,027

Amount Dec. 31, 1865.....\$53,630,974

The following are the fluctuations in Exchange :

RATES OF EXCHANGE IN GOLD.						
	London, 60 days.	Paris, 60 days.	Amsterdam.	Frankfort.	Hamburg.	Berlin.
Dec. 1	109½@109½	5.17½@5.16	40½@40½	40½@41	86½@86½	71½@72
" 8	109 @109½	5.16½@5.15	40½@40½	40½@41	86½@86½	71½@71½
" 15	109½@109½	5.15½@5.13½	40½@41	40½@41	86½@86½	71½@72½
" 22	109½@109½	5.16½@5.13½	40½@41	40½@41	86½@86½	71½@72
" 29	109½@109½	5.16½@5.15	40½@41	40½@41	86½@86½	71½@71½

JOURNAL OF BANKING, CURRENCY, AND FIANCNE.

Increase of Bank Currency—Report of the Comptroller of the Currency—Bank Dividends—
Bank Returns of New York, Boston and Philadelphia.

THE report to Congress of the Comptroller of the Currency presents many facts of interest, showing, among other things, the wonderful growth of the National Banking system.

In November, 1864, there were 534 associations, with an aggregate capital of

\$108,964.597. Up to the end of October last 283 new banks had been organized, and 731 State banks converted, giving a total of 1,601 National Banks. Of these, no less than 679 were new institutions, while the capital of all the National Banks amounted to \$502,573.793. It is, however, a remarkable circumstance, as Mr. Clarke very properly points out, that although "nearly all of the State Banks have voluntarily changed into National associations, this transformation has been accomplished without deranging the business of these institutions."

The National Bank currency in circulation on the 1st October was 190 millions, while the old State bank circulation amounted to 59 millions. It is true that the State bank notes are being withdrawn, and from the 1st of July next they will be virtually suppressed by a tax of ten per cent. But, on the other hand, the National Bank notes are increasing, and will soon reach the maximum of 300 millions, making our available paper currency amount to \$960,167,326, while before the war the bank note circulation of the country never much exceeded 200 millions without producing over speculation, inflation of credit, and the other well-known precursors of financial revolution.

The amount of circulation to which each State is entitled, on the ground of its representative population, has been greatly exceeded. This is contrary to the original intention of the banking law, but the extension was authorized at the close of the last session of Congress, when it was enacted that only half of the 300 millions should be distributed according to population, while the other half should be allotted by the Secretary of the Treasury. Out of this change has grown the demand for more currency for the Western, and chiefly for the Southern States, which, it is contended, are deprived of their fair share. A method of meeting this demand, without increasing the aggregate volume of the currency, Mr. Clarke proposes in the following terms:

"In view of the urgent demand that will undoubtedly be made for an increase of the national bank circulation, and as a gentle mode of further reducing the volume of legal tender notes, it is suggested that the national currency act be so amended as to allow an increase of the limit to four hundred million of dollars, on conditions only that all the banks be required to redeem their notes in New York, Boston or Philadelphia; and also that an issue of six per cent 5-20 bonds be authorized to the amount that it will require to secure the additional circulation under the provisions of the act, which bonds the banks, when organized, shall purchase as each may require of the Secretary of the Treasury, at such fair rate as he may from time to time prescribe, but not less than their par value, and pay for the same in the United States legal tender notes, and all notes so received shall be cancelled and destroyed. The bonds so issued would not affect the price or demand for other bonds, as they would be held as security for the circulation, and only offered in market in the event of the failure or closing of a bank. With the requirement to redeem at the central and accessible points mentioned, there would be but little danger of bank issues exceeding the limits prescribed by the demands of legitimate business."

It is superfluous to say that we do not approve of any extension of the bank currency beyond the 300 millions authorized by law. Congress, we trust, will resist all attempts to urge such an increase under any pretext whatever. As there has been an undue issue in certain sections of the country the obvious remedy is to withdraw the excess from those sections. It is a very pernicious policy to correct one over issue by another. In the deranged and depreciated state of our paper money every consideration of the public good and every principle of sound finance condemns further issues as dangerous. Moreover, it is not the least of the objections to Mr. Clarke's proposal that it would

check and render nugatory all attempts at contraction for some time to come.

The profits of the banks throughout the country have been very large the past year. We have compiled the following table, showing the dividends of the New York banks for the past year, compared with those of the preceeding five years :

DIVIDENDS OF NEW YORK CITY BANKS.							
Companies.	1860.	1861.	1862.	1863.	1864.	1865.	Latest.
America.....	7	7	7	8	10	10	Jan., 1866..5
American.....	..	..	..	..	..	4	Oct., 1865..4
American Exchange.....	7	8½	6	7½	9	10	Nov., 1865..5
Atlantic.....	..	..	..	..	9	10	Jan., 1866..6
Bowery, (new).....	..	..	..	..	..	..	..
Broadway.....	10	10	10	11	20	22	Jan., 1866..12
Bull's Head.....	8	8	8	11	12	15	Jan., 1866..4 q'y
Butchers' and Drovers'.....	10	10	10	10	10	15	Jan., 1866..5
Central.....	..	..	..	..	6	12	Nov., 1865..6
Chatham.....	7	6½	..	9	10	13	Jan., 1866..7
Chemical.....	10	24	24	24	24	24	Jan., 1866..6 q'y
Citizens'.....	8	8	7½	8	8	14	Jan., 1866..5
City.....	8	8	8	8	12	12	Nov., 1865..6
Commerce.....	7	6	6	7	8	10	Jan., 1866..5
Commonwealth.....	7	6½	6	7	10	10	Jan., 1866..5
Continental.....	7	8	6	7	8	8	Jan., 1866..5
Corn Exchange.....	7	7	7	7½	9	10	Aug., 1865..5
Croton, (new).....	..	..	..	..	..	..	..
Currency.....	..	..	..	..	..	45	Jan., 1866..15 q'y
Dry Dock.....	8	7½	7	7	7	7	Jan., 1866..3½
East River.....	7	7	7	7	8	8	Jan., 1866..4
Eighth National.....	..	..	..	..	..	10	Jan., 1866..5
Fifth National.....	..	..	..	..	..	8	Jan., 1866..5
First National.....	..	..	..	..	30	20	Nov., 1865..10
Fourth National.....	..	..	..	..	4	9	Jan., 1866..5
Fulton.....	10	10	10	10	10	10	Nov., 1865..5
Gallatin (National).....	7	6½	6	8	10	10	Oct., 1865..5
Greenwich.....	12	12	12	12	12	12	Nov., 1865..6
Grocers'.....	7	7	7	8	10	10	Jan., 1866..5
Hanover.....	7	6½	6	6½	9	11	Jan., 1866..6
Imp. and Traders'.....	8	7	6½	7½	8	10	Jan., 1866..4
Irving.....	7	6	..	8½	8	5	Jan., 1866..5
Leather Manufacturers.....	10	10	10	10	10	10	Aug., 1865..5
Manhattan.....	10	9	8	10	10	10	Aug., 1865..5
Manufacturers.....	5	10	10	7	8	9	Jan., 1866..5
Manufs & Merchants.....	..	..	6	8	10	10	Jan., 1866..5
Marine.....	6	8½	7	9	12	16	Jan., 1866..6
Market.....	7	6½	6	7	8	11	Jan., 1866..6
Mechanics'.....	8	7½	7	7½	9	15	Jan., 1866..5
Mechanics' Banking Association.....	7	7	7	7½	8	10	Nov., 1865..5
Mechanics & Traders.....	8	7	7	10	10	10	Nov., 1865..5
Mercantile.....	10	9	8	10	10	10	Nov., 1865..5
Merchants.....	7	6½	6½	7	9	10	Dec., 1865..5
Merchants' Exchange.....	7	6½	6	6½	7½	9	Jan., 1866..5
Metropolitan.....	8	7	6	11	9	15	Jan., 1866..6
Nassau.....	7	6	6½	7	8	10	Nov., 1865..5
New York.....	6	6	6	7½	10	10	Jan., 1866..5
New York County.....	7	6½	6	8½	11	16	Jan., 1866..9
New York Exchange.....	9	7	7	14	61	9	Jan., 1866..6
Ninth National.....	..	..	..	..	..	10	Jan., 1866..5
North America.....	7	7	6½	7½	8	15	Jan., 1866..5
North River.....	7	6½	8½	7	8½	11	Jan., 1866..6
Ocean.....	7	6½	..	6	8	8	Aug., 1865..4
Oriental.....	7	6½	6	6½	7½	10	Aug., 1865..5
Pacific.....	10	10	10	10	15	20	Nov., 1865..5
Park.....	8	8	8	9	20	22	Jan., 1866..7
People's.....	7	7	7	7	8	9	Jan., 1866..5
Phoenix.....	7	7	6	7	8	10	Jan., 1866..4
Republic.....	10	9	..	7½	8	10	Aug., 1865..5
St. Nicholas.....	6½	..	3½	7½	8	10	Aug., 1865..5
Seventh Ward.....	10	10	10	..	..	..	..
Second National.....	..	..	..	..	5	10	Nov., 1865..5
Shoe and Leather.....	8	8	8	8	8	8	Jan., 1866..5
Sixth National.....	..	..	..	..	5	12	Nov., 1865..6
State of New York.....	7	6	6½	7½	10	10	Nov., 1865..5
Tenth National.....	..	..	..	..	..	10	Jan., 1866..5
Third National.....	..	..	..	..	5	9	Jan., 1866..5
Tradesmen's.....	8	7	6½	7½	11	16	Jan., 1866..7½
Union.....	6	6	7	9	10	10	Nov., 1865..5

The dividends declared for January, 1866, are not included in the aggregate dividends given for 1866.

It has always been hitherto observed, that under the influence of a depreciated currency, while the inflation was going on almost all the banks prospered and made immense profits; but when the reaction came, and contraction of currency brought a contraction of credits, great numbers of the banks failed. The first half of this circle of results we see reflected in the dividends of 15, 20, 40, and even 60 per cent recorded above. Shall we ere long see the second part of the circle? or will our bankers have caution enough to foresee and provide against the evil day, which may be nearer than the most clear sighted of us suppose? One of the most suggestive facts relative to the foregoing dividends, is that some of the banks having the largest capital and the safest, most judicious management seem to earn the more limited profits. Of the dividends on the eighty millions of banking capital above represented, the smallest institutions carry off the largest prizes.

We give below the returns of the Banks of the three cities the past few weeks, omitting the returns previous to this month.

NEW YORK CITY BANKS.

Date.	Loans.	Specie.	Legal tender.	Circulation.	Deposits.	Clearings.
Dec. 2,	229,197,844	18,431,103	48,220,803	15,867,400	175,523,834	487,015,569
" 9,	227,839,844	16,622,780	48,271,757	16,570,518	176,480,562	420,105,053
" 16,	227,814,856	16,981,485	48,887,556	16,724,725	167,247,251	501,690,868
" 24,	228,572,084	16,055,037	58,841,520	17,629,125	188,021,870	507,237,904
Jan. 2,	229,445,780	15,881,769	71,184,996	17,990,689	189,224,861	89,281,042
" 8,	238,186,659	15,778,471	71,617,437	18,588,428	195,482,251	370,617,523

The following are the returns of the Philadelphia Banks :

PHILADELPHIA BANKS.

Date.	Loans.	Specie.	Circulation.	Deposits.
November 27,.....	45,415,940	608,181	7,065,275	84,050,109
December 4,....	45,662,762	591,998	7,084,286	84,995,133
" 11,.....	45,596,327	896,141	7,128,240	84,310,272
" 18,.....	45,598,298	937,338	7,141,839	84,272,551
" 26,.....	45,650,801	898,565	7,169,298	84,117,482
January 2,.....	45,941,001	890,623	7,226,369	85,342,306

The statement of the Boston banks the last three weeks, shows the following results :

BOSTON BANKS.

	Jan. 1.	Dec. 25.	Dec. 18.
Capital.....	\$41,900,000	\$41,900,000	\$41,900,000
Loans.....	91,421,477	88,481,540	86,917,722
Specie.....	801,415	657,005	657,831
Legal tender notes.....	19,807,800	19,865,928	18,900,074
Deposits.....	88,451,794	88,481,794	86,987,613
Circulation (national).....	21,497,854	21,146,721	20,812,873
Circulation (state).....	1,404,721	1,480,718	1,550,230

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THE MERCHANTS' MAGAZINE AND COMMERCIAL REVIEW.

FEBRUARY, 1866.

OF THE BALANCE OF TRADE.

BY C. H. CARROLL.

In our zeal to maintain the principle of human freedom, we must not overlook important errors which are being extensively advocated, and bid fair to become permanently a part of the government policy. One of these is the doctrine of the "balance of trade" teaching that an excess in the currency value of exports over imports, is an aggregate of commercial balances of account against foreign countries; while an excess of imports over exports is an aggregate of commercial balances in favor of foreign countries. The former, it is argued, should be increased, and the latter prevented as much as possible by legislation. Hence we find a high tariff maintained with the view of checking imports.

Yet, if this method of calculating increasing wealth is reliable for a nation, why is it not equally reliable for an individual? If the nation gets rich by parting with more value than it receives, why should not the individual get rich whose expenditure exceeds his income? The philosophy of the balance of trade, as set forth by its advocates, comes to this ridiculous conclusion, that a cargo exported, costing \$100,000 according to the Custom-house records, which returns only \$80,000 in the imports, gives a national gain of \$20,000. What does the merchant owner think about it? By the same rule were the cargo sunk in the ocean, it being an excess of exports altogether, it must be reckoned as \$100,000 clear profit to the country!

One of the advocates of this doctrine states that he finds the balance of trade in favor of the United States in the excess of exports for a series of years to be as follows:

	Total exports.	Total imports.	Excess of exp'ts.
1854-55	\$275,156,846	\$261,468,520	\$13,688,326
1855-56	326,964,908	314,639,942	12,324,966
1856-56.....	302,960,682	360,890,141	2,070,541
1857-58.....	324,644,421	282,613,150	42,031,271
1858-59.....	356,789,462	338,768,130	18,021,332
1859-60.....	400,122,296	362,163,941	37,958,355
1860-61.....	410,856,818	352,075,535	58,881,283
1861-62.....	229,790,280	205,819,823	23,970,457
1862-63.....	331,809,459	252,187,587	79,621,872
Total excess of exports.....			\$288,568,403

After giving this table, the writer encourages the country with the consideration that "the scale of excess of exports established in 1854-55, rises gradually and steadily to 1863. Its average for the last two years, the worst of the war, is \$51,800,000 each year. Its average for the two years preceding the war, 1858-59 and 1859-60, was \$28,000,000 each year only." This statement includes the mutual exchanges of gold. And, being desirous to make the largest admissible exhibit of the excess of exports, he repudiates the idea that the paper prices of exports affect the result, and furthermore maintains that the export commerce is habitually returned short; the inference being that if strict accuracy were obtained, the "favorable balance of trade" would be considerably more than the above figures.

To all such reasoners the question should be put, when, where and how is this continually extending balance of trade to be collected and discharged. Is it sufficient for the nation to have it constantly accumulating, and never get anything for it?

In England the account and the argument are directly the other way. For example, the British imports in 1854 amounted to £152,380,053; exports £115,821,092, the excess of imports being £36,567,961. In 1860 the imports were £233,626,830; exports £191,205,421; excess of imports £42,421,418. In 1863 the imports were £248,980,942; exports £146,602,409; excess of imports £102,278,533, while in 1864 the imports were £269,246,000, and the exports £160,809,698, making an excess of £108,809,698 of imports. Thus in these four years there is an excess of imports amounting to about twenty hundred millions of dollars; or about five times the total of the exports in any one year from the United States to all the world.

Now can any one be so mentally blind as to suppose that Great Britain is running in debt to other countries at this rate, or that she is pursuing her foreign commerce at a prodigious loss? A more probable argument might seem to be that Great Britain imports raw material to a great amount, augments its value by her industry, exports the manufactured article, and finds her profit in the returns.

Thus we see that this whole matter of the balance of trade is very much of a delusion, as it is generally presented and understood. Its significance is in the international value of money and in restraints upon commerce. Cheap money means high prices. Duties on imports operate in the same direction, and the nation afflicted with these disabilities works to a disadvantage, except in the case of money cheapened by mining, which, being capital, is exported (when in natural excess) in exchange for other capital, and is thus a source of national wealth like every thing else produced cheap for foreign commerce, that is to say, in excess of the home demand. California and Australia produce money cheap because of their natural advantages for its production; and as cheap capital they supply their wants with the excess of money as our Western States supply their wants with their cheap capital in the excess of Wheat. The great affair is to produce cheap capital of the most desirable and exchangeable character. It matters little whether it be money or merchandise.

The community possessing the most capital in relation to population will have the cheapest capital, and the lowest general prices, unless their value are disorganized by a false currency, or artificial arrangement and

restrictions of trade, and they will have the advantage of all the rest of the world in foreign commerce. With lower general prices they will produce cheaper than other communities; their foreign adventures will cost less, and bring greater profits; and these profits will appear in an excess of imports. This is the true balance of trade; it is no debt, but a balance of profits; an accumulation of capital in foreign trade.

England has this "balance of trade" in her favor; hence her continued excess of imports, and this excess will continue to increase under the free trade system and limited currency; while under our high tariff exclusive system and expanded currency we shall have the "balance of trade" the wrong way in excess of exports, giving England the advantage in international commerce continually.

A relative of the writer travelling in Europe at this time says he has purchased four suits of clothes for ninety dollars in London which would have cost him two hundred dollars in New York or Boston, as he took particular pains to ascertain the prices here before he left home. This, allowing 50 per cent for the premium on gold, is obtaining a value of one hundred dollars by our gold measure, for sixty-six and $\frac{2}{3}$ dollars in England. Suppose this to be the average rate at which the necessaries and conveniences of life can be obtained in England, as compared with the United States, then it is not merely possible but probable, that a cargo for export may be obtained in England for sixty-seven thousand dollars that would return the value of one hundred thousand dollars; yielding thirty-three thousand dollars profit in the excess of imports over exports; while a cargo of the same relative value here would cost one hundred thousand dollars in gold, and return simply its cost. Hence England would make a profit of thirty-three per cent in foreign trade where the United States would make nothing at all. Yet if the Custom House records even exhibit an excess of exports it does not follow that there is any absolute loss to this country in the business, since we export overplus products only, and whatever we obtain for them, more or less, is in a national point of view clear gain. That is to say, we support ourselves, pay all our expenses of living and of production, and have these surplus products left. They are of no value except for export, and the returns they bring us are therefore, national accumulation and profit.

An explication will make this point clear, and show the fallacy of this doctrine of the balance of trade. Let us suppose that by an expansion of currency through banking, or government paper issues, we make general prices here fifty per cent higher than they are in England; it would follow that the same quantity of labor and capital which would produce a barrel of flour in this country for six dollars would produce the same value in broad cloth, say a yard, in England for four dollars; in other words there would be this difference in prices for the same value in the respective countries of all commodities. Then suppose England sends us an invoice of 1000 yards of board cloth which is entered in our Custom-House records at the aggregate price of \$4,000, and, being sold here under our inflation so as to produce the net sum of \$6,000 we return an invoice of 1,000 barrels of flour at the aggregate price of \$6,000; where and what is the balance of trade? There is no such thing. The 1,000 barrels of English broadcloth costs the United States 1,000 barrels of flour, and the 1,000 barrels of United States flour costs England 1,000 yards of broad

cloth; neither more nor less. The account is closed. England owes nothing for the difference, because values are exchanged, not prices, and this difference of \$2,000 is mere price, the result of an artificial depreciation of the value of money in this country. The two nations gain equally by the exchange, since surplus products are supplied to each other of equal value. Money being the thing tampered with by adulteration, remains untouched in this transaction, as between the two parties to the exchange, and has no more to do with the balance of trade than an equal value of beef, or corn, or wine, which remains untouched in either country.

But suppose, what is very sure to happen, that England takes \$6,000 of gold instead of 1,000 barrels of flour for her broadcloth; then she takes our artificially depreciated commodity, and gets \$6,000 of money for a real money value in broadcloth of \$4,000, which we raise in price to \$6,000 by adulterating our currency. She thus gains \$2,000 of *value* that we lose by our own folly. This is a balance of trade that is better missed than found. Its advocates, however, call it national gain. I know what I say when I call it a dead loss; we might as well plunge two thousand dollars of gold into the sea.

Unpracticed thinkers find some difficulty in comprehending that the dollar is not a fixed value. Make it of gold, or make it a promise to pay gold, interchangeable with gold, and men, of whose intelligence, better things should be expected fail to discover that an increase of supply depreciates its exchange value, precisely as every other instrument or object of commerce is depreciated in value. The dollar being the currency, unit, the depreciation of its value exhibits itself only in the rise of general prices, and more dollars must be given in exchange for other values than before. When we add dollars of debt to our currency, interchangeable with dollars of gold, until six have no more purchasing power than four possessed before, it is inevitable that foreigners will take our dollars and leave our flour, until it gluts the home market insupportably, or its production is reduced to correspond with the demand. Thus we throw away capital and stop an equal amount of production by the same suicidal act,—a double loss, like the difference to a merchant between making \$2,000 and losing \$2,000 which is \$4,000 in his stock account.

Here an objector may say, that with an open commerce gold cannot remain one-third cheaper in one country than in another, which is the same thing as saying that general prices cannot remain one-half or 50 per cent higher. On this point, what is supposed to be scientific teaching differs from the fact of experience, and, as science is simply experience classified, the theory must give way where it is contradicted by the well observed fact. The fact is, that under the operation of a currency of debt, which can be made to suit the interest of its producers, general prices can remain 50 per cent higher in one country than in another, or in all others, for an indefinite period, sometimes for several years, mainly because most of the values of every country are not objects of international exchange, but in a great degree because the makers of such a currency protect themselves by bond and security against its effects. They lend no value, no capital, but promises which create price without value, and throw upon their debtor the obligation to furnish the value and capital to pay the false price and meet such promises. Generally the currency maker is protected and paid, but the value which is put in his hands to

enable him to redeem his obligation he never loaned ; it is robbing Peter to pay Paul, and Peter fails. A price that is not a value may be *kited* in the exchanges of domestic commerce for years, but when its ultimate payment in value is demanded somebody must fail, for a value cannot be paid that never existed. It is, as I have on another occasion remarked, like circulating promises to deliver several Kohinoor diamonds, there being but one in existence ; the promises may circulate so long as the issues are protected from an absolute demand for payment ; but the one diamond being demanded and sent out of the country because its value is greater abroad than where the spurious promises circulate and cheapen it, the several promises for which there is no diamond to respond must be discharged by insolvency. Whether one diamond or millions of them, one dollar or millions of them, or anything else, form the basis of fictitious promises, a currency so constructed must plunder those who become bound with endorsers to save the issuers harmless. But while the issuers are saved the currency can be maintained so as to inflate prices not merely 50 per cent but even 400 per cent beyond the natural money value, and yet under specie payment, as the experience of France with Law's banking and Mississippi scheme clearly shows.

Charles Mackay, in his historical sketch of the Mississippi scheme says: "The looms of the country worked with unusual activity to supply rich laces, silks, broad cloths, and velvets, which being paid for in abundant paper increased in price four-fold. Provisions shared the general advance ; bread, meat, and vegetables were sold at prices greater than had ever before been known, while the wages of labor rose in exactly the same proportion. The artisan who formerly gained fifteen sous per diem now gained sixty."

This four-fold rise of general prices was nothing but a fall of three-fourths in the value of money, and the cheapened commodity ; money rushed out as fast as foreigners could pour other capital into France to exchange for it. Edicts of the Government, the most despotic, and persecution the most odious, were powerless to prevent this. Plate and expensive jewelry were secretly sent away to England and Holland, and ludicrous devices were adopted to escape the vigilance of the Government. "Vermalet, a jobber who sniffed the coming storm, procured gold and silver coin to the amount of nearly a million of livres, which he packed in a farmer's cart, and covered over with cow dung ; he then disguised himself in a dirty smock frock, or blouse, and drove his precious load into Belgium. From thence he soon found means to transport it to Amsterdam."

"Notwithstanding every effort to the contrary the precious metals continued to be conveyed to England and Holland. The little coin that was left in the country was carefully treasured or hidden, until the operations of trade could no longer be carried on.

Law then obtained an edict forbidding the use of specie altogether, which destroyed the credit of the bank paper irrevocably, and drove the country to the very brink of revolution. The illusion created by his system of banking, of which the Mississippi scheme was but an offshoot, lasted four years—1716 to 1720—when the iniquitous contrivance crumbled into ruin, destroying not traders only, but the fortunes of many of the wealthiest and best families of France.

No one having a knowledge of commerce, to say nothing of political economy, will deny that cost of production is an essential element of market value in every commodity, and also that the currency and demand of the consumer finally determines its selling price over and above the cost of production, and the effect of the high price he pays, if convertible into value, is to enhance the price and value of imports in the market of production. In every way and without exception the result of employing a paper or debt currency is to benefit the foreign to the damage of the home market. Thus France, under Law's currency scheme, became the dearest market to sell in in the world.

The surplus products of every commercial nation must be sold at such rates as foreigners will pay, so that the producers of such products get no advantage from the paper inflation at home. Generally nations without mines of the precious metals, and without a paper currency, pay for their imports directly in their own products without difficulty, and without exporting gold and silver which they receive in their returns; and if we possessed statistics of the foreign commerce of France during the eventful four years of Law's experiment, I have no doubt we should find that her home products would have paid for all her imports, and did so in fact, if the imports had been reckoned at the natural money value, so that the money which made up the "balance of trade" in the excess of exports was completely thrown away. The kingdom would have been stripped of the precious metals at that time, virtually for nothing, but for the habit of hoarding among the people induced by a long continued distrust of the government.

If what has been said is correct, then a protective tariff which is with many the panacea for all the ills of commerce, and especially for what is thought to be an adverse balance of trade is an evil. Of course the object and the operation of the tariff is to raise the price of both foreign and domestic products to consumers, so that certain individuals may be enabled to direct the industry of the country into unnatural channels and supply the home market with commodities directly, that can be supplied cheaper indirectly through foreign commerce. And this it is contended, by checking imports, will save our gold and silver coin and bring about the desired "balance of trade" in an excess of exports. That, with a debt currency, it tends to a nominal excess of exports there would seem to be no doubt, for the same reason that cheap money induces high prices which cripple foreign commerce and change the export demand from merchandise to money. I repeat that while a debt currency circulates in the country the money included in the excess of exports, is thrown into the lap of other nations in payment of a false price for their products to our utter loss. The tariff promotes this loss by indirection, by raising our home prices and preventing profit in foreign trade which would exhibit itself as it does in England in an excess of imports.

Has the tariff policy which has been pursued with rigor, but with vexatious irregularity, ever since the close of the war of 1812 saved to the nation the precious metals imported and mined here since that date? The answer to this question is to be found in the fact that not more than \$200,000,000 probably remain in the country outside of the arts and hoards.

TREASURE MOVEMENTS DURING THE REBELLION.

IN this number we give a comprehensive exhibit of the movements of treasure, at New York, for each month of the last seven years; the fluctuations of which deserve careful analysis, as illustrating the monetary derangements connected with the war and the supply of the precious metals at its close.

The first result of the outbreak of hostilities was to draw a large amount of specie from abroad. The prospect of a limitation of the business of the country induced a contraction of importations; and, having a large surplus of produce for exportation, our exports so far exceeded our imports that, in 1861, we imported \$37,088,413 of specie, seven times the average amount of the two preceding years. This large accession of coin would have materially strengthened the banks in aiding the government and might have enabled us to surmount easily the first financial demands of the war, had it not been that the failure of confidence throughout the country caused a rapid and extensive withdrawal of money from this centre. Credit was suddenly curtailed; and the result was that the circulating medium was needed everywhere to supply the place of the usual forms of individual promises-to-pay; while the banks of the interior partly from mistrust of the ultimate ability of the New York banks to meet their obligations and partly because they were pressed by depositors for coin, withdrew their balances from the banks of this city. Not a few cautious individuals and most of the foreign bankers took the same course, so as to be prepared for any possible adverse contingency. The result of these movements was that, in 1861, \$68,408,112 of specie was returned from this market into the interior and into hoards, nearly \$27,000,000 of the amount going in the month of December. The receipts from California during that year were at about an average rate, amounting to \$34,485,949. The whole movement for the first year of the war, 1861, may be thus summarised:

In the Banks and Sub-Treasury, Jan. 1, 1860.....	\$30,100,000	
Received from California.....	34,485,949	
Imported from foreign ports	37,088,413	
Received from inland and hoards.....	.....
<hr/>	<hr/>	
Total supply for 1861.....		\$100,674,362
Exported to foreign ports.....	4,236,250	
Returned inland and into hoard.....	68,408,112	
<hr/>	<hr/>	
Total withdrawn.....		\$72,644,862
<hr/>		
In Banks and Sub-Treasury Dec. 31, 1861.		\$29,030,000
Loss during 1861.....		1,070,000

The large withdrawals of gold at the close of 1861 precipitated the suspension of the banks; which was followed by a gathering in of their balances from the interior, producing a return current of specie to this centre. This movement continued throughout 1862, and for the year the amount gathered in from hoards and drawn from the interior amounted to \$43,907,957. The return current was stimulated by the issue of United States notes, Demand notes, and 7-30 Treasury notes, of which, combined, there was outstanding, on the 30th June, 1862, \$272,496,550.

The issuing of this large amount of paper currency lessened the requirements for coin as a circulating medium, and treasure was, consequently, free to follow its tendency to gravitate toward this centre. The passing of the legal tender act was followed by a general withholding of coin from circulation; which still further aided the return current. The effect of these issues of currency was to steadily force up the premium on gold, which, at the beginning of July reached 10, and at the close of December 33. Gold and silver coin being then no longer a currency, but practically an article of merchandize, and being non-productive to its holders, it naturally returned to this point, where, for the purposes of customs duties, exportation, and speculation, it was in active demand. Under these circumstances it was not remarkable that of the sixty-eight millions withdrawn into hoards and inland during 1861 forty-four millions should have been recovered from those sources in 1862; nor was it singular that, during the whole of the latter year, not one dollar was withdrawn to those sources. The disturbance of confidence exhibited its natural results in the extraordinary export, during 1862 of \$59,437,021 of specie; foreign capitalists calling home their balances held here, foreign bankers sending abroad their gold for safe keeping, while even domestic capitalists sent out large amounts of coin from the same motive; a movement which, owing to a decrease of produce exports, there was no favorable balance of foreign exchanges to obviate. The following statement will indicate the movement of treasure during 1862:

In the banks and Sub-Treasury Jan. 1, 1862.....	\$29,030,000	
Received from California.....	25,079,787	
Imported from foreign ports.....	1,390,277	
Received from inland and hoards.....	43,907,057	
Total supply for 1862.....		\$100,407,021
Exported to foreign ports.....	\$59,437,021	
Returned inland and to hoards.....		
Total withdrawn.....		\$59,437,021
In banks and Sub-Treasury Dec. 31, 1862.....	\$40,971,000	
Gain during 1862.....	11,941,000	

The year 1863 was chiefly remarkable for the reduction in the receipts from California, resulting from the dangers of capture by rebel privateers. The receipts from that source for the year amounted to only \$12,207,320, about one-third the average Pacific supply. The receipts from abroad were merely nominal, aggregating for the year \$1,528,279. The supply from the interior and from hoards continued to flow in steadily, from the causes above indicated, commencing with \$1,509,382 for January, and closing with \$5,427,748 for December, and aggregating for the year \$33,040,001. The exports to foreign countries amounted to \$49,754,056, and would have reached a much larger sum but for the fact that large amounts were shipped from San Francisco to Europe on New York account. During this year, also, there was no movement whatever into hoards or to the interior, the general disposition apparently being to realise upon gold rather than to hold it idle. This fact is worthy of special note, as it wholly disproves the oft reiterated assertion that the unsettled condition of the finances, and the advancing premium on gold induced an extensive hoarding of coin. The truth is, that during the second and third years of the war—1862 and 1863—\$8,536,946 more was drawn from hoards and inland than was withdrawn into those

sources in the first year. The movement of treasure during 1863 was as follows :

In the banks and Sub-Treasury Jan. 1, 1863.....	\$40,971,000	
Received from California.....	12,207,320	
Imported from foreign ports.....	1,528,279	
Received from inland and hoards.....	33,040,001	
Total supply for 1863.....		\$87,746,590
Exported to foreign ports.....	49,754,056	
Returned inland and to hoards.....		
Total withdrawn.....		\$49,754,056
In banks and Sub-Treasury Dec. 31, 1863.....		\$37,992,534
Loss during 1863.....		2,978,466

In 1864, the supply from California continued on the same limited scale as in the previous year; while the imports from foreign countries were still merely nominal; the receipts from both sources aggregating only a little over fifteen millions. The receipts from the interior and from hoards reached \$30,294,221; but as there were withdrawals in that direction amounting to \$2,599,508, the net accessions from those sources were only \$27,694,713; or less than in 1863 by \$5,348,268.

It is worthy of note that during July, when the passing of the Stevens gold bill put up the price of gold to 285, there was a large influx from hoards and inland; and that during August and September, when the price fell steadily to 190 the receipts from those sources declined to a merely nominal amount; while in October, when the price reacted to 227, the same supplies rose to much above the average rate. These facts furnish another indication that gold was most freely thrown upon the market when the price was advancing. The following statement exhibits the movement of treasure at this port for the year 1864 :

In the banks and Sub-Treasury Jan. 1, 1864.....	\$37,992,534	
Received from California.....	12,907,803	
Imported from foreign ports.....	2,265,522	
Received from inland and hoards.....	30,291,221	
Total supply for 1864.....		\$83,457,080
Exported to foreign ports.....	\$50,803,122	
Returned inland and to hoards.....	2,599,508	
Total withdrawn.....		\$53,402,630
In banks and Sub-Treasury, Dec. 31, 1864.....		\$30,054,450
Loss during 1864.....		7,933,084

At the opening of 1865, the rebel cruisers had ceased to haunt the track of the Aspinwall steamers and the receipts of gold from California, therefore, steadily augmented, the monthly arrivals having averaged, for the first two months of the year, \$1,478,596, and for the two last months \$2,649,479. The total receipts for the year, however, are but little more than half those of 1859. As the year opened with gloomy prospects for the rebellion, the opinion became general that the future course of the gold premium must tend steadily downward. There was, consequently, a general desire to convert gold into greenbacks. This disposition predominated throughout the year, and hence gold has continued to flow in freely from the interior and from hoards, the aggregate receipts from those sources being \$37,532,311. During September and October a large increase in the imports of merchandize and disappointment as to the amount of the exports of produce, had the effect of producing anticipations of a large export demand for specie, while the requirements

of importers, for duties, were vastly beyond all precedent. This again produced a disposition to hoard, and during those two months \$7,620,901 was hoarded and taken into the interior. The lightness of the imports during the first half of the year, and the large export of Government and other securities to Europe having tended to keep foreign exchange easy, the export of specie has been comparatively light, being about twenty millions below the average. The exports, indeed, have been only \$6,334,887 more than the combined receipts from California and from foreign ports, while in 1864 the exports were \$35,629,797 above the supply from those sources. The treasure movement of last year was as follows :

In banks and sub-treasury, Jan. 1, 1865.....	\$30,054,450	
Received from California	21,531,786	
Imported from foreign ports.....	2,137,011	
Received from inland and hoards....	87,532,811	
Total supply for 1865.....		\$91,255,558
Exported to foreign ports.....	\$30,003,683	
Returned inland and to hoards.....	7,620,901	
Total withdrawn.....	\$37,624,584	
In banks and Sub-treasury, Dec. 31, 1865.....		\$53,630,974
Gain, during 1865.....		23,576,584

The present condition of the banks and Sub Treasury, as respects treasure, is one of unusual strength, the supply held at the close of 1865 being thirteen millions larger than at the same period of any of the last seven years. It must not, however, be hence concluded that the country is stronger in coin and bullion than formerly. The following statistics afford evidence that the increase of the supply at large is apparent rather than real. The figures represent the aggregate for the seven years ending December 31, 1865 :

In banks and Sub-Treasury, Jan. 1, 1859.....	\$32,233,000	
1859-65—Received from California.....	180,885,636	
1859-65—Imported from foreign ports	56,078,259	
1859-65—Received from inland and hoards.....	182,765,628	
Total supply for seven years 1859-65.....		\$451,462,510
1859-65—Exported to foreign ports.....	306,141,169	
1859-65—Returned inland and to hoards.....	91,690,357	
Total withdrawn in seven years		\$397,831,526
In banks and Sub-Treasury, Dec. 31, 1865.....		\$53,630,966

From these figures it will be seen that our exports to foreign countries, during the seven years, have exceeded our receipts from California and from foreign sources by \$69,677,280. The receipts from hoards and inland have exceeded the amount returned to those sources by \$91,075,246. Of this net amount of withdrawals from the interior and hoards, \$69,677,280 has gone abroad, and the remainder represents the increase during the seven years in the amount held by the banks and Sub Treasury. The important question whether the country at large, exclusive of California, has lost gold during the seven years depends upon whether the interior and the hoards have been replenished from sources independent of New York, to an extent equal to the net drain therefrom to this city. As that problem is one incapable of solution, from lack of the necessary data, it is impossible to indicate satisfactorily whether the supply in the country has augmented or decreased during the seven years.

MARINE LOSSES—DISASTERS IN 1865.

DURING the year 1865, disasters have been reported at New York to 1,490 vessels of all classes. Of these about 500 were total losses. The latter part of the year has been particularly noted for the value of the vessels lost. A large number of steamers principally engaged in the coasting business have materially increased the list and unfortunately added a great loss of life to the loss of property.

It will be seen from the following statement that the total disasters exceed those of either of the last five years. In fact no season since 1854 has equalled this in marine losses, although the increased strength of our Marine Insurance Companies will render the loss comparatively light to them.

NUMBER OF DISASTERS REPORTED AT NEW YORK DURING THE LAST FIVE YEARS INCLUDING TOTAL AND PARTIAL.						
	Steamers.	Ships.	Barks.	Brigs.	Schooners.	Total.
1861.....	49	233	182	168	322	953
1862.....	44	233	219	189	325	1,010
1863.....	71	340	217	206	474	1,308
1864.....	46	290	119	165	290	900
1865.....	75	197	260	357	591	1,490
	285	1,282	997	1,035	2,002	5,651

The amount of loss during 1865 is \$20,000,000 distributed in great part between New York, Boston, Philadelphia and other American Underwriters, whilst a portion will fall on owners and foreign Underwriters. The following statement will show approximately the value of the losses each month for five years with the totals.

ESTIMATED VALUE OF LOSSES.						
	1861.	1862.	1863.	1864.	1865.	Total.
January.....	\$2,930,600	\$1,825,600	\$1,430,200	\$1,650,000	\$960,000	\$8,796,400
February.....	2,403,700	1,529,200	1,175,000	2,350,000	673,000	8,130,900
March.....	2,638,500	2,340,800	1,340,000	1,460,000	1,947,000	9,736,300
April.....	1,617,550	1,416,300	1,950,000	1,830,000	944,000	7,757,850
May.....	2,825,600	1,785,700	2,100,000	960,000	740,000	8,361,300
June.....	923,500	960,000	2,230,000	650,000	560,000	5,323,500
July.....	932,500	647,000	1,800,000	1,850,000	620,000	7,849,500
August.....	576,900	428,000	1,250,000	1,370,000	1,950,000	5,574,900
September.....	956,450	616,000	1,561,000	750,000	940,000	4,822,450
October.....	700,850	1,412,000	1,075,000	1,280,000	2,375,000	6,842,850
November.....	1,314,500	1,715,000	950,000	1,660,000	4,620,000	10,260,000
December.....	1,100,000	1,904,000	1,750,000	1,956,000	2,960,000	9,730,000
Total.....	18,930,650	16,590,600	18,610,200	17,766,000	19,230,000	91,186,450

The immense losses of the last three months have brought the total beyond that of the previous years. This is due in great part to the disastrous fires in cotton and on cotton ladened vessels ; the case of the Harry of the West alone involving loss to near \$1,000,000. Disasters of that nature have directed attention to the origin of these fires, and the measures necessary to prevent them. We published a few weeks since some excellent recommendations with regard to this matter.

In reference to general losses at sea, more care in selecting masters and mates, and a more thorough system of inspection of vessels seems to be desirable. For the preservation of life, an impetus has been given to new inventions, and a life saving raft, composed of gutta percha cylinders cased in canvass, and capable of inflation at pleasure, has met with considerable favor. It has been found that ordinary boats are too frequently stove at a critical moment, or do not live in a heavy sea. They are also difficult of landing in a a heavy surf. Most of these objections appear successfully met by the raft alluded to.

IMPORTS OF DRY GOODS AT NEW YORK FOR 1865.

We have prepared the annual statement of the imports of dry goods at the port of New York, giving the description of goods for the year, and also the totals for each month. It will be seen that the figures for this year are considerably in excess of either of the previous four years. The total is ninety-two millions, against seventy-one millions in 1864. the following table shows the description of goods, and the relative totals for the previous three years :

IMPORTS OF DRY GOODS AT NEW YORK.

Description of goods.	1861.	1862.	1863.	1864.	1865.
Manufactures—					
Wool.....	\$16,720,931	\$25,718,592	\$29,703,956	\$31,411,965	\$36,053,190
Cotton.....	7,192,524	8,501,512	7,913,957	8,405,245	15,449,054
Silk.....	13,334,411	11,568,807	15,534,469	16,194,060	20,476,210
Flax.....	3,590,303	7,666,946	10,381,059	11,621,831	15,521,100
Miscellaneous dry goods	2,808,520	2,665,370	3,731,106	3,956,630	4,561,586
Total imports.....	\$43,636,689	\$56,121,227	\$67,274,547	\$71,589,752	\$92,061,140

The increase this year has been pretty evenly distributed among the different classes of goods, with the exception of cottons, which are in excess. We now give a summary of the imports each month, from which can be seen the course of the trade throughout the year. The returns for the previous four years are added :

TOTAL IMPORTS OF DRY GOODS AT NEW YORK.

Months.	1861.	1862.	1863.	1864.	1865.
January.....	\$10,956,857	\$2,965,952	\$5,209,181	\$8,184,314	\$2,350,625
February.....	6,762,926	5,344,514	5,027,857	9,437,454	3,723,600
March.....	5,836,076	6,471,901	9,204,581	12,635,127	5,324,599
April.....	2,767,645	3,296,498	4,824,007	5,220,245	3,969,706
May.....	2,429,823	2,944,483	3,612,511	6,021,136	3,931,468
June.....	1,205,382	3,535,102	2,901,423	4,801,703	5,442,002
July.....	1,476,887	5,628,014	4,718,365	6,762,750	7,236,233
August.....	3,536,333	8,707,710	8,316,878	7,529,800	13,462,365
September.....	2,102,064	6,185,193	5,892,712	4,117,449	11,196,257
October.....	1,971,541	3,865,798	6,569,763	2,996,100	12,187,331
November.....	2,506,926	3,710,357	6,071,208	2,235,107	12,657,937
December.....	2,004,219	3,466,405	5,371,041	1,558,567	10,586,951
Total.....	\$43,636,689	\$56,121,227	\$67,274,547	\$71,589,752	\$92,061,140

From this statement it appears that almost three-fourths of the imports for the year were during the last six months. This was the result of the active demand arising at the close of the war, and the light imports of the first half of the year and the last half of 1864. We now give the imports of Dry Goods for each year since 1849 :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.

	Invoiced value.		Invoiced value.		Invoiced value.
1849.....	\$44,435,575	1855.....	\$64,974,062	1861.....	\$43,636,689
1850.....	60,106,371	1856.....	93,362,893	1862.....	56,121,227
1851.....	62,846,731	1857.....	90,534,129	1863.....	67,274,547
1852.....	61,654,144	1858.....	60,154,509	1864.....	71,589,752
1853.....	93,704,211	1859.....	113,152,624	1865.....	92,061,140
1854.....	80,842,936	1860.....	103,927,100		

It will be remembered that the figures here given refer to the foreign cost abroad of these imports in gold, and that the freight and duty, also payable in gold, must be added to determine the cost here in gold.

LUMBER TRADE OF CHICAGO.*

ILLINOIS is one of the largest of the interior States, but on its fifty-five thousand square miles of surface, probably there grows not a single pine large enough from which to fashion boards. The same may be said of southern Wisconsin and portions of Iowa and Wisconsin. In all these States indeed there is also a great scarcity of trees of any kind. Their forests are not sufficient for their fuel, and at the first glance we might be tempted to justify the old travelers who believed that this country of prairie was doomed to remain to the end an uninhabited wilderness on account of its bareness—the lack of material out of which to provide shelter and fuel sufficient for the wants of civilized man. And to this day the most obvious want of this region, so rich in mineral and agricultural wealth, is the want of wood. Four millions of people, however, inhabit the States above named; the prairies are dotted with houses and barns, and chequered with fences, and every day adds to their numbers, and consequently their wants in this regard. These fences and most of these buildings are of wood—for the most part of pine wood, not one foot of which was grown within the States themselves. In these facts we have the explanation why the lumber trade within them is so extensive. The reasons why Chicago is the seat of this trade the sequel will make clear.

When nature prepared the beautiful prairie region, now called Illinois, to be the garden spot of the continent she was mindful to provide for all the wants of its future inhabitants. So, having prepared the surface of the earth for fields, gardens, pastures and meadows, and stowed away beneath the soil abundant mines and quarries, she thoughtfully planted a great wood lot in Michigan, and scooped out a deep canal between. This water communication enables us to bring into the harbor of Chicago at a trifling expense the lumber which the forests on the lake and its tributaries provide so abundantly. And the numerous lines of railroads which radiate from the city furnish the means of sending it to almost any point in the land.

The greater part by far of the lumber used in the interior, and, indeed, elsewhere in this country, is pine. It is preferred because it is the only material which is easily worked; is durable, and at the same time preserves a good surface. Some deciduous trees, as whitewood and bass wood, make lumber which is used to some extent for building purposes; but these trees grow for the most part where the country is well settled, and the lumber from them is mostly consumed at home. Some of the hard woods as oak, maple, black walnut, beech and butternut, can be finished beautifully, and are much used for furniture, and for the inside finish of elegant buildings. The good taste of our citizens has been manifest especially of late in the choice which they have made of the materials, and a trade of these woods has sprang up which must extend with the progress of good taste.

The shores of Lake Michigan and Lake Huron and the banks of many of the streams which empty into these lakes, are covered with vast forests of pine. That portion of the State of Michigan between lakes Huron and

* A large portion of this article appeared in the *Chicago Times* a few weeks since.

Michigan, and called the "lower peninsula," is mostly covered with forests of pine, north of the line of the Detroit and Milwaukee railroad. A great part of northern Wisconsin is covered in the same way. In Canada, along the Georgian bay, is another wilderness of piny woods, occupying thousands of square miles. Probably in Michigan, Wisconsin, and that portion of Canada bordering on Lake Huron, there are nearly or quite 40,000 square miles of pine woods; that is, an extent of surface nearly equal to three-fourths of the area of the State of Illinois.

The lumber country is comparatively uninhabited. The soil is usually unproductive, and does not tempt permanent settlers. The mills are at the head of navigation on the streams, and, to avoid hauling the heavy logs long distances, those trees only are felled which are near the streams, to which they are hauled and on which they are rafted down to the mills.

Thus, up to this time, notwithstanding the immense consumption of lumber for the past 20 years, nearly all of which has been obtained in these districts, only the edges of the forests, as it were, have been invaded. Along the St. Joseph, Kalamazoo, Grand, Muskegon, Manistee and Grand Traverse rivers and their tributaries, on the eastern shore of Lake Michigan, and on the numerous streams which find an outlet by way of the Saginaw river into Saginaw bay, great inroads have been made on the forest, and in some sections the supply is apparently exhausted. This is especially the case in those places most easily accessible, and which have been long worked. And for this reason it is annually becoming more difficult and expensive to obtain material for the mills, as it has to be hauled and rafted greater distances. And this difficulty and expense must increase, and with them the cost of lumber, until artificial means of transportation have been provided which will enable lumbermen to extend their operations to those localities at a distance from the streams.

When railroads shall have been built through the interior of the lower peninsula of Michigan of northern Wisconsin, connecting these now inaccessible districts with the lake harbors, we may expect from these localities which have hitherto been inaccessible, and therefore untouched, a large increase in the supply of lumber, which may serve to keep down prices and furnish us with building material for the rest of this century, and, perhaps, a part of the next.

But where is our lumber to come from when all these forests are exhausted? This is a question of grave importance, and one not easily answered. We are yearly consuming the product of scores of square miles of the forest, and on the ground so laid bare no new growth is appearing. We are not only harvesting a crop which it has required centuries to mature, but we have planted nothing to supply its place. In our eagerness to supply our own wants, we seem likely to consume the inheritance of posterity, as well as our portion of those goods which nature has appropriated to the use of all her children.

The largest portion of the lumber found in the Chicago market comes from the eastern shore of Lake Michigan. Each of the mills on the streams which we have named manufacture millions of feet annually. The supply of pine on the St. Joseph River, Michigan, is very nearly exhausted, and now Muskegon boasts of the largest number of mills and the greatest production of lumber.

A very large amount of lumber is brought from Green Bay and the

vicinity of Lake Winnebago in Wisconsin. The extension by the Northwestern Railroad of a line to the lumber country, in the neighborhood of Winnebago Lake, has made this region accessible, and the receipts by this railroad are almost entirely the product of this district.

Of the lumber manufactured on the tributaries of Lake Huron, but a portion reaches the Chicago market. Yet there is a large amount of Saginaw lumber sold here, and as the districts farther north, above Saginaw Bay and in the vicinity of Thunder Bay, are opened, an increase in the receipts from eastern Michigan may be looked for at Chicago.

Canadian lumber, famous for its excellent quality, formerly was sold to a considerable extent, but now the eastern demand is so great that most of the lumber manufactured in Canada finds its way to that market. The abrogation of the reciprocity treaty will probably injure the trade in this lumber east as well as west. There are extensive lumber districts on the headwaters of the Ottawa River and along the shores of the Georgian Bay which are yet undeveloped. These will doubtless become of importance hereafter.

The receipts of lumber by the Michigan Southern, Michigan Central, and Pittsburgh, Fort Wayne and Chicago Railroads consists chiefly of hard wood and whitewood, the latter of which being as easily worked as pine, though not as durable, can supply its place in inside work; and the former being used, as has been remarked, for elegantly finished interior work.

There is a lumber country from which no shipments are made to Chicago, the produce of which, nevertheless, has no little effect on the market. This is the Upper Mississippi country. Under ordinary circumstances, Iowa, Missouri and Western Illinois are chiefly supplied by this region—the Mississippi affording facilities for floating the logs at a trifling expense to points very near the place where the lumber is used. When the supply from this region fails, as is sometimes the case, these districts are supplied through Chicago, greatly increasing its trade and the price of lumber in its market.

The lumber country is, for the most part, desolate during one-half of the year. Here the crop is already grown, and labor is needed only to gather in the harvest, and the lumber harvest is not in the summer, but in the winter. This season is chosen, because in the pathless forests it is impossible to move the logs, except when the fall of snow makes it practicable to use sleds, and thus drag them to the streams.

Before winter sets in the lumbering parties are made up, quarters built and provisions for man and beast provided, and by the time the first snow has fallen the party is established in its solitary wilderness, there to remain until the opening of navigation in the Spring. Throughout the winter the little community, cut off from all intercourse with the rest of the world, is busily engaged in felling trees and dragging them to the streams—dependent wholly on itself for its wants, social and moral, as well as physical. It is a rough life, but a hearty one, and has something of the attractions which have been thought peculiar to a life on the sea. Indeed, a large share of the lumbermen are sailors, who, during the summer, are engaged in transporting the lumber which they helped to manufacture in the winter.

When the snow disappears, and the ice breaks up in the streams, then

the logs are floated down to the mills to be manufactured. This is not always easily done, and, in case of unusually high water, the logs are sometimes carried over the banks and back into the forests, where they cannot be recovered until the next winter, if they are not wholly lost. The depth of the snow in the winter, and the condition of the streams in the spring, are the chief natural elements which determine the crop of logs. When these are favorable, the product is limited only by the capital invested and the number of laborers employed.

The lumber which is sold in the Chicago market is sawed near the places where it is grown. The process is simple and familiar, though those who have seen only the ordinary country mills running, only a simple upwright saw, would be surprised to see the cargoes of lumber which are turned out every season by some of these steam mills, with their gang and circular saws. Some of these mills manufacture 10,000,000 feet unually. They are not as numerous as might be supposed, there being at some places which are well known lumbering points only two or three, and in no place, so far as we know, more than fifteen.

To form some idea of the extent of the lumber trade in Chicago, let the reader walk up the South Branch, from the Fort Wayne depot to the vicinity of Bridgeport. Up the stream, as far as vessels can make their way, acres of ground on each bank are occupied by lumber yards. Cities and villages are here annually built up and torn down. Narrow streets stretch from the river banks through these yards, lined on each side by stately piles of lumber, shingles and laths, piles towering upwards sometimes as high as 30 feet, and the materials of these solid though unsubstantial edifices last winter were in the trees of the forest, standing in the midst of the wilderness, hundreds of miles from Chicago. And when we reflect that these acres of lumber are not the acquisitions of the whole season, but that the millions of feet which we see are but a fraction of the whole amount received, the balance of which has been consumed in the city or shipped to the interior, we may form some conception of the magnitude of the trade in this material, which requires a fleet to transport it, an army of men to handle it, and the services of hundred locomotives and thousands of cars to carry it.

Few are aware of the extent of the country supplied with lumber from the Chicago market. Not only are the remotest parts of Illinois dependent, at least in part, on it for their supply, but no inconsiderable quantities are sent to the interior of Iowa, and even to Omaha in Nebraska, and Leavenworth in Kansas, and bills have been filled for Cincinnati and Louisville.

It is true that the lumber region on the upper Mississippi has usually, and does still supply the districts near the river and further west. But this lumber region appears insufficient to supply the great and growing demand of this country which is so rapidly increasing in population and wealth. The low water in the lumber regions of the upper Mississippi sometimes make it impossible to raft the logs, which had been cut, to the mills, and, consequently, the supply from this section is almost wholly cut off, and the demand on the Chicago market greatly increased.

Last spring (1865) the high water enabled the Mississippi lumbermen to bring into the market the greater part of the product of two years' cutting. Moreover, last year there was a very heavy government demand

for lumber for the building of barracks, hospitals, storehouses, etc., which has not only entirely ceased, but the greater part of these government buildings have been sold, and thus a large amount of lumber has been thrown upon the market. Again, early in the season, when the close of the war had made every one distrustful of the future, there was very little building attempted. Yet, notwithstanding all these circumstances which would tend to limit the demand, we find that during the season of 1865 the lumber trade of Chicago increased, and the city still claims to be the greatest lumber market in the world.

The enormous consumption of lumber indicates very accurately the general prosperity and spirit of enterprise which has prevailed during the year. The unusual production of the upper Mississippi has been absorbed to a great extent by the southern demand. Millions of feet have been rafted as low down as New Orleans, and throughout the South, and as far north as the Missouri river, the ravages of war have created a demand which the production of years will not be able to satisfy. Consequently lumber merchants are anticipating and providing for a continuance and even an increase of the demand which has seemed, for the season just passed, extraordinary.

The stocks on hand at the different yards are unusually large, and the preparations for lumbering are extensive and promise to be successful. For a few years past it has been very difficult to obtain laborers. No such difficulty is now encountered. The disbanding of the army has made producers of hundreds of thousands of consumers and destroyers.

Until the year 1856, Albany was the greatest lumber market in the world. At that time Chicago distanced her, and has since kept the lead. Albany, which is supplied from northern New York and Canada, has the second place, and Pittsburg, which is the market for the pine regions of the Alleghany, the third. The exhaustion of the pine forests of northern New York has had much to do with the decrease of the trade of Albany, and the production of the country which has supplied the Pittsburg, market has so decreased that the cities on the Ohio river are now supplied in part from Chicago.

We give a table of the receipts of lumber, shingles and lath since 1847. The receipts for 1865 are reckoned from the first of January to mid-December. Very little more will be received, the receipts by lake having closed until the opening of navigation in the spring.

Year.	Lumber, feet.	Shingles, No.	Lath, pieces
1847.....	32,118,225	12,148,500	5,655,700
1848.....	60,009,250	20,000,000	10,025,109
1849.....	73,259,553	39,057,750	19,281,733
1850.....	100,364,779	55,423,750	19,809,700
1851.....	125,056,437	60,838,250	27,583,478
1852.....	147,816,282	77,080,500	19,759,670
1853.....	202,101,098	93,483,784	39,133,116
1854.....	228,336,783	82,061,250	32,481,550
1855.....	397,567,669	158,770,800	46,487,550
1856.....	441,961,900	135,876,000	79,235,120
1857.....	459,939,000	131,832,000	30,130,030
1858.....	278,943,000	127,525,000	44,558,000
1859.....	302,845,207	165,927,000	49,102,000
1860.....	262,496,626	127,894,000	36,601,000

	Lumber, feet.	Shingles, No.	Lath, pieces
1861.....	249,308,705	79,856,000	32,637,000
1862.....	305,674,045	131,255,000	23,880,000
1863.....	218,301,818	172,364,878	41,768,000
1864.....	501,592,406	190,169,759	65,953,900
1865.....	606,645,800	304,212,000	60,340,000
Total.....	5,089,083,033	2,560,093,212	938,297,743

The receipts for the past season have been by the following routes :

	Lumber.	Shingles.	Lath.
By lake.....	597,675,000	218,147,000	58,851,000
By N. W. Railway.....	1,670,000	86,069,000	479,000
By other railways.....	7,297,800	.....	10,000
Total.....	606,642,800	304,216,000	60,340,000

Six hundred million feet of lumber received in one year ! Who can form a conception of such an amount ? Perhaps some calculation will put it into a more intelligible form.

Six hundred million feet of lumber would plank a surface of 21½ square miles, nearly equal to the whole extent of the city of Chicago. It would make a sidewalk four and a half feet wide entirely around the earth !

The receipts for the past three years, if composed entirely of boards a foot wide, would, if placed end to end, extend 284,400 miles ; far enough to make a bridge to the moon, with 40,000 miles to spare ! The whole amount received since 1855 would make a building 100 feet wide, 25 feet high, and long enough to reach from Chicago to San Francisco ; a building which would shelter the entire population of Europe. It would make a bridge two miles wide across the lake from Chicago to St. Joseph.

The aggregate amount of lumber, shingles and lath forwarded from Chicago since 1860 have been as follows :

Year	Lumber.	Shingles.	Lath.
1861... ..	189,379,445	94,421,186	31,282,725
1862... ..	189,277,079	55,761,630	16,966,600
1863... ..	221,799,330	102,634,447	30,293,247
1864... ..	269,496,579	138,497,256	36,242,010
1865... ..	345,390,089	239,738,057	60,744,520

The following table shows the prices of different qualities of lumber on the 1st of July of each year since 1858 :

Year.	Clear.	Common.	Cargoes.
1859.....	\$18 00@30 00	\$ 9 00@10 00	\$ 7 00@ 9 00
1860.....	24 00@27 00	8 00@ 8 50	6 25@ 7 25
1861.....	22 00@27 00	7 50@ 8 00	5 50@ 7 00
1862.....	24 00@26 00	9 50@10 00@.. ..
1863.....	35 00@38 00	15 00@16 00	11 00@14 50
1864.....	50 00@55 00	22 00@.. ..	19 00@23 00
1865.....	45 00@50 00	14 00@15 00	10 00@13 50

The variation in prices for the years 1864 and 1865 is shown by the following table, in which the highest and lowest prices of each month are given :

	Clear.		Common.		Cargoes.	
	1864.	1865.	1864.	1865.	1864.	1865.
January....	\$42 00@45 00	\$60 00@	\$17 00@18 00	\$24 00@25 00		
February..	42 00@45 00	60 00@	17 00@18 00	24 00@25 00		
March.....	42 00@45 00	60 00@	17 50@18 00	24 00@25 00		
April.....	45 00@50 00	55 00@60 00	17 50@18 00	21 00@22 00	\$16 00@18 50	\$14 00@17 00
May.....	50 00@	48 00@60 00	18 00@19 00	14 00@21 00	16 00@20 00	12 00@17 00
June.....	50 00@55 00	45 00@50 00	19 00@20 00	14 00@16 00	16 00@22 00	9 00@20 00
July.....	50 00@55 00	45 00@50 00	22 00@	14 00@15 00	17 00@23 00	11 00@14 00
August....	50 00@55 04	45 00@60 00	20 00@24 00	14 00@17 00	17 00@22 00	11 00@16 50
September.	50 00@55 00	55 00@63 00	22 00@24 00	16 00@20 00	18 00@22 00	14 00@21 00
October...	50 00@55 00	58 00@63 00	22 00@24 00	19 00@20 00	15 00@19 00	16 00@20 00
November.	50 00@55 00	59 00@62 00	20 00@24 00	20 00@	15 00@20 00	15 00@19 00
December.	50 00@55 00	59 00@61 00	20 00@25 00	20 00@	20 00@21 00	15 00@17 00

It will be seen by this table that the prices, which in 1864 increased steadily through the year, in 1865 fell gradually until August, when they were about one-fourth lower than at the beginning of the year. Since that time they have risen steadily, and in December the quotations vary but little from the figures ruling in January.

A comparison with the prices of lumber in other cities may prove interesting. The rates given in the following table are quoted from the latest (December) lists :

	Clear.	Common.	Shingles.
New York.....	\$80 00@100 00		
Pittsburg.....	65 00@	\$25 00@	\$8 50@
Cincinnati.....	80 00@	30 00	8 50@8 00
Milwaukee.....	40 00@45 00	18 00	5 25@5 50
New Orleans.....	75 00@100 00	80 00@10 00	4 50@5 00

We have given the figures only for lumber, shingles and lath. The trade in timber, staves, railroad ties, telegraph poles, fence-posts and similar materials, which is generally carried on by the lumber merchants, forms an important branch of the commerce of the city.

The amount of capital invested in the lumber traffic is immense. The cost of the receipts of 1865 at cargo prices, cannot have been less than \$10,000,000. If we were able to reckon up the accounts invested in logging, manufacturing, transporting by lake and by railroad, and handling we would be astonished at the magnitude of the sum, and the number of persons employed and supported by the lumber trade and manufacture is correspondingly large. The importance and magnitude of this commerce has for many years engaged the attention and ability of many of the best business men ; and, until the broad prairies are covered with forests, or some cheap and abundant substitute for wood is discovered and made available, it must continue to rank prominently among the leading branches of commerce in the Lake metropolis.

COMMERCIAL LAW.—NO. 30.

MARINE INSURANCE.

(Continued from page 57, vol. 54.)

THE TERMINI OF THE VOYAGE, AND OF THE RISK.

THESE must be distinctly stated, whether they be termini of time or place. A policy from ——— to ———, or from B. to ———, or from ——— to B, would be void. Nor would it be any better if the termini were named with apparent distinctness, but in such wise as to mean nothing, or nothing sufficiently certain.

A policy takes effect from its date, if the bargain was then complete, although not delivered until afterwards. And it may be remarked, that, if there be an unreasonable delay in the sailing of the vessel, the policy never attaches, for the bargain is considered as annulled.

The common phrase "lost or not lost," or any equivalent words, make the policy retrospective, as has been said, so far as that the insurers are responsible for any loss which occurred before the policy was made, but within the time or the voyage insured. If the loss be known, it must of course be stated; but even then, if its extent or amount is wholly unknown, the property may be the subject of valid insurance. If the policy is to take effect "on" a certain day, it begins with the beginning of that day. If "from and after" a day, that day is excluded, but "from" only may be more ambiguous, and the construction of the word be open to evidence. It has been said, however, that "from the date" includes the day, and "from the day of the date" excludes it; but this is a very nice distinction, and we doubt whether it would be adhered to in practice.

A policy on a vessel "at" such a place, generally attaches when she is there in safety. Thus, in an English case, the insurance was at and from the island of St. Michael's. The ship arrived in a very disabled state, and, after lying at anchor there twenty-four hours, was blown out to sea and wrecked. The court held that the policy under these circumstances never attached; because, to make it attach, she must have once been at the place in good safety. But if there were a policy "to" a place, and another was made out between the same parties "at," or "at and from," the same place, we should say that the law would presume that the parties intended that the second policy should attach whenever the first one ceased by her arrival, without reference to the condition of the ship or her peril at the time.

Generally, a policy on goods attaches to them at the time when it would have attached to the vessel had she been insured. And if the risk is to begin at a certain time, and also at a certain port or place, the latter words may be shown to be mere surplusage, and not intended to control the former; and the risk will begin at that time, wherever the ship may be. The extent which should be given to the meaning of the word "port" is sometimes a question of some difficulty: but in general all places are within a port which belong to it by mercantile usage and acceptance, although not within the same municipal or legal precinct.

"At and from" covers a vessel in a port, as well as after she leaves it. "From" only covers the vessel *after* she gets under way. "At and from," applied to goods, does not cover them in the port when they are on shore and warehoused, nor until they become subject to marine risk, by being water-borne. They are, however, covered, not only when they reach the ship, but as soon as they are put on board of boats or lighters, or any other usual water conveyance to the ship. And if insured to a port, they continue covered after they leave the ship by any usual conveyance for the shore, until they are safely landed. The word "at," applied to an island or a coast, may embrace all the ports therein, and cover the ship while sailing from one to another. "To a port and a market," covers a voyage to the port, and thence to every place to which, by mercantile usage or reasonable construction, a ship may go thence in search of a

market; and even to return to that port, perhaps more than once, if honestly with intent to learn there where a market could be found. If the insurance be on a certain voyage, a very strong presumption of law would confine it to the next voyage which came under that description.

If the insurance be to "a port of discharge," this does not terminate if the vessel goes to a port for inquiry, or for needful refreshment or repair. If it be "a final port of discharge," the insurance ceases upon such parts of the cargo as are left at one port or another, and continues on the ship, and on all the goods on board, until arrival at the port where they will be finally discharged.

A vessel is "at sea" when in bays or straits; and indeed, by a rather broad construction, whenever not "in port." And if the insurance begins on a ship on a certain day "if at sea," this has been construed to mean "if not at home," and therefore to attach if the ship was in a distant port.

The English policies and our own contain a provision that the insurance continues on the ship "until she shall be arrived and moored twenty-four hours in safety;" and on the goods until they be "landed." or "safely landed."

Under this clause, the ship is insured until moored in safety, so far as the perils insured against are concerned, but not against the peculiar and local dangers of the port, or the possibility that a tempest there might injure her when moored; for these dangers continue to exist as long as she stays there, and the liability of the insurers would never terminate. If she enters the harbor, and, before she is moored, is blown off, or ordered into quarantine, she is insured until this delay ceases and she is safely moored in port. And if before or within the twenty-four hours, a dangerous storm begins, she is insured until that storm, or its danger, ceases.

Goods, we have seen, are covered in their transit from the ship to the shore.

TOTAL LOSS AND ABANDONMENT.

The law of insurance recognizes an actual total loss, and also a constructive total loss. It is actual when the whole property passes away, as by submersion or destruction by fire. It is a constructive total loss, when the ship or goods are partially destroyed, and the law permits the insured to abandon the salvage, or whatever is saved, to the insurers, and claim from them a total loss. By "abandonment" is meant, in insurance law, the transferring of the property insured, or what is left of it, to the insurers. The word is used, because originally the insured gave up, renounced, or abandoned the property, saying to the insurers, we will have nothing more to do with it, and you may do with it what you like. And the word is still always used, although it means a transfer. And in the law of insurance, a constructive total loss is a partial loss made total by an exercise of the right of abandonment. That is, the actual loss took from the insured a part, and the abandonment took the rest, and so they have lost all. A constructive total loss is sometimes called a "technical" total loss.

The abandonment, we say, transfers all that remains of the property to the insurers. If nothing remains, or if that which remains has no value, there need be no abandonment, and this is an actual total loss.

The insured never need make an abandonment if he chooses not to do so. And if from such choice or neglect he makes no abandonment, his claim against the insurers is still perfect; but it is a different claim from that which it would have been if he had abandoned, because it is now to be settled as a partial loss, of which we shall speak hereafter. For it is the purpose and effect of an abandonment to convert an actual partial loss into a constructive total loss. And if he makes an abandonment when he has no right so make it, such abandonment is wholly inoperative, unless the insurers choose to accept it; but if they accept it, they must settle the loss as a total loss.

The topics in relation to this subject which we will consider are:—
1. The necessity of abandonment. 2. The right of abandonment. 3. The exercise of this right. 4. The acceptance of the abandonment. 5. The effect of the abandonment, or of the absence of abandonment.

1. *The Necessity of Abandonment.*

It is said, that if a ship be completely wrecked, and reduced to “a mere congeries of planks and iron,” or if she has not been heard from for a sufficiently long time, there need be no abandonment, and the insured may claim as for a total loss, without one. In either cases, or any other case, if the insurers pay a total loss, they are entitled to whatever shall come to hand of the property insured. And it is usual, and we think more proper, to abandon in both of these cases.

If the property was injured by sea peril, and passed from the insured by a justifiable sale by the master, there need, perhaps, be no abandonment, but the insured will account for the proceeds. If, however, he abandon, the salvage or proceeds belong at once to the insurers, and are afterwards at their risk; otherwise they are at the risk of the insured.

2. *The Right of Abandonment.*

The insured cannot convert every partial loss, however small, into a total loss, by abandonment, transferring the damaged property to the insurers. But by a rule which is nearly universal in this country, and not unknown abroad, if the damage by a peril insured against exceed one half of the value of the property insured,—whether ship, goods, or freight,—he may abandon the property to the insurers and claim as for a total loss. But if the vessel actually reaches her destined port, she cannot be abandoned, although the repairs would cost more than half of her value.

When we speak in another section of partial loss, it will be seen that, by the established usage of this country, an allowance of “one third, new for old,” is always made. This means, that if a new thing were given for an old one because the old one had been injured, the insurer would be more than indemnified. The sails, for example, might be so new that they had lost little of their value; or so old, that they were of no value. To avoid inquiring into each case, usage has adopted, as a fair average to apply to all cases, that the thing injured has lost one-third of its value. When it is replaced by repairs, the insured therefore loses one third of the cost of repair, and the insurers pay two-thirds.

Now our policies provide that there shall be no total loss by abandonment, unless the injury exceed fifty per cent when “estimated as for a partial loss”; that is, one third off. Consequently, the repairs necessary to res-

ture the vessel to a sound condition must amount to more than seventy-five per cent of her value when repaired, (one-third of which, twenty-five per cent, being cast off, leaves fifty per cent,) before there can be an abandonment, which the insurers are bound to accept, and settle the loss as a total loss. We think, however, the usage not sufficient to require that this one-third shall be cast off, unless expressly stipulated in the policies, as above stated, or in some equivalent manner.

The valuation in the policy, if there be one, generally determines the value on which this estimate is to be made. In New York and in Massachusetts this seems to be distinctly held; but the courts of the United States and of some of our States incline to say that, whether the policy be valued or open, the value of the ship, the loss of one-half of which authorizes abandonment, is the actual value of the ship at the time the loss occurs, and that this value is to be proved by proper evidence.

The premium, we think, should be excluded; but this may not be quite settled. A loss by jettison, by salvage, by general average contribution, by wages of sailors paid while they assisted in making the repairs, should be included in the fifty per cent. • if the insured have lost a part of his jettison, and have a claim for contribution which is not yet paid, the whole of his loss is to be included to make up the fifty per cent, and the insurers claim to contribution by abandonment. Thus, if his loss be by jettison of eight tenths of his goods, it is 80 per cent, and if he has a claim for contribution in general average for 35 per cent, this does not reduce his loss to 45 per cent, so that he cannot abandon; but he may call his loss 80 per cent, and abandon, and by the abandonment transfer to the insurers his claim for 35 per cent. The expense of repairs is to be taken at the place where actually made, or where they must have been made, if made at all.

If the repairs cost less than fifty per cent, and the ship is bottomed for the amount, and afterwards sold on the bottomry bond, this is a total loss; unless the vessel came within reach of the owner, so as to make it his fault or neglect that she was sold.

If a sale be lawfully made by the master, under the authority from necessity which we have considered in the chapter on the Law of Shipping, this is a total loss, and the insured must account for the proceeds.

If distinct interests are included in one policy, either under one common valuation, or under no valuation, they are so far united as one subject-matter of the insurance, that the general rule requires that they should all be abandoned together, and therefore an abandonment of one alone is ineffectual. But it seems to be also held, that if these interests, or if several portions of the cargo, are separately valued, this makes them so far distinct from each other, that there may be a separate abandonment of one or of the other.

3. *The Exercise of the Right of Abandonment.*

As an abandonment has the effect of an absolute transfer of the property to the insurers, and is intended for this purpose, it is obvious that it cannot be made by one who is not possessed of such title to the property, or such interest therein, as would enable him to make a valid transfer.

There is no especial form or method of abandonment. But the proper and safe way is to do it in writing, and to use the word "abandon," or "abandonment," although other words of entirely equivalent meaning

might suffice. It must be distinct and unequivocal, and state, at least in a general way, the grounds of the abandonment.

If the abandonment be deficient in form, the insurers will waive any objection of this kind if they call for further proof, and otherwise act as if the abandonment were altogether sufficient.

The insured may abandon at any time when the ship, by a peril insured, is taken for an uncertain period from the master's control, and the voyage is broken up and cannot be renewed, unless at a cost which of itself gives this right.

The existence of the right depends upon the actual state of facts at the time, and not upon the supposed facts. If a ship be captured or stranded, and the owner, on receiving notice, make an abandonment, and the ship be restored or got off from the shore before the abandonment is actually made, although the owner be wholly ignorant of it, the abandonment is wholly void. But if the facts existing when the abandonment was made were such as to justify the abandonment, it will be good, although subsequent occurrences show that the vessel was neither lost nor endangered as was supposed. Nothing, however, gives the right of instant abandonment, without a faithful endeavor of the master to find, if he can, and use, if he can, some means of deliverance and safety. But if, when delivered and restored to the master, or owner, her damage amounts to more than half of her value, estimated as above stated, "as a partial loss," she may then be abandoned. If the precise voyage insured be broken up by a peril insured against, this justifies an abandonment, although the vessel might be put in condition to pursue a different voyage or render a different service.

As the insurers, who take the salvage (or saved) property by abandonment, have a right to every possible opportunity to make the most of it, it follows as an invariable and universal rule, that the insured must make an abandonment immediately after he receives the intelligence which justifies it; and if he does not, he will be regarded as having elected not to abandon, and no subsequent abandonment will have any effect. It may be stipulated in the policy that he shall have so many days, after receiving intelligence, for abandonment. But while this gives him a right to delay, it does not oblige him to, and he may therefore make a valid abandonment at once.

The abandonment may be made on information of any kind, if it be entitled to weight and credence. So even a general rumor, without specific intelligence to the insured, will authorize an abandonment, if the rumor seems to be well grounded and altogether credible.

4. *The Acceptance of the Abandonment.*

As there is no especial form or method of making an abandonment, so there is no regular and established form of accepting an abandonment. Indeed an acceptance, merely as such, or in so many words, is seldom made. And as the insurer's accepting is not necessary to give full effect to an abandonment which has been made on proper grounds, and in the right way and time, it is seldom asked for.

The acceptance of the abandonment may be inferred from words or acts. The question has arisen whether it could be inferred from mere silence; and, in general, it cannot. "An insurer is not bound," says Mr. Justice Story, "to signify his acceptance. If he says nothing, and does nothing, the proper conclusion is, that he does not mean to accept it."

The rule may be stated thus. If the insurer, with a sufficient knowledge of the facts, says or does that which induces an honest insured to believe that he has accepted the abandonment, and will pay the loss, and to act on that belief, it is an acceptance, and is so far binding on the insurer. But it leaves open—not the question whether the abandonment was rightfully made, for that is closed—but all remaining questions and defences, either as to the whole case, or as to any part of it.

5. *The Effect of Abandonment.*

We regard it as an ancient, reasonable and well-established rule, that, if insurers pay as for a total loss, this payment entitles them to full possession of all that remains of the property insured, and also of all rights, claims, or interest which the insured has in, or to, or in respect of the property lost, and which, if he valued or enforced them himself, would, if added to the amount paid by the insurers, give him a double indemnity. Hence, if the insured has lost his goods by jettison, and has a claim for a general average contribution, and the insurers pay him for all his goods, they stand in his place, and acquire that claim for contribution which the loss of the goods gave him. And we should, very generally at least extend this rule to the claim which a mortgagee has on the mortgage for his debt. That is if the insurers pay for the loss of the property which secures the debt, they acquire, to the extent of their payment, the mortgagee's claim against the debtor. But in a recent case, some nice distinctions are taken on this subject.

If the salvage which the insurers take is encumbered with liens or charges, the insured must pay or satisfy these, excepting so far as they spring from, or may be referred to, a peril which the insurers have insured against. As, for example, if they take a ship, it is free from liens for wages earned in saving the ship. And, indeed, the insurers may be bound for wages and expenses incurred in good faith, and with a reasonable discretion, in the endeavor to save the ship—which, by the peril and abandonment, was their property—although the amount of the charges was greater than the value of the salvage; but not for expenses after the insurers had refused to accept the abandonment, and expressly directed that no more charges should be made on their account. If, however, this prohibition were not in good faith, and tended to the destruction of the property, it would be ineffectual.

By the abandonment, both the owner and the master become, to some extent, the trustees and agents of the insurers, in respect to the property abandoned; and are bound to act, in relation to it, with care and honesty. Still, if the property after abandonment, or after a loss for which there is to be an abandonment, be further lost or wasted, by the bad faith or neglect of the master, or of the consignee of the owner, while they continue to act as such, this loss must be made up by the owner, because, although they are, in a certain sense, agents of the insured, they are then agents of the owner, and he is responsible for them to the insured.

Goods are totally lost if destroyed, or if so injured as to have little or no value for the purpose for which they are intended; or if the voyage upon which the insurance on the goods was effected is entirely broken up. And, in addition to all this, the rule which permits abandonment if more than fifty per cent be lost, of which we have already spoken, is applicable

to goods, in this country; subject, however, to the important qualification, that it does not apply if any substantial portion of the goods arrive at their destination uninjured; or if the goods are insured "free from average." And the rule of abandonment, salvage, and transfer to the insurers, is the same in relation to goods as to the ship.

The ship may be totally lost, and not the goods. And we have seen, in our chapter on Shipping, that, if the ship be wrecked, and the goods are or can be saved, it is the duty of the master to send them forward to their destined port, if this is within his power, and the circumstances of the case do not make it useless or clearly unwise. If he cannot transmit them, he is bound to do that which is, on the whole, the best thing for the interest of all concerned. If he fails to do his duty, and the goods are lost, wholly or partially, by this failure, the insurers are not responsible, unless they have insured the owner of the goods against the misconduct of the master. And the shipper of the goods has his remedy against the owner of the ship for loss incurred by the master's misconduct, which claim passes over to the insurers of the goods, if they pay the loss to the shipper.

So, if there be many several shipments all insured, there may be a total loss of one, a partial loss of another, and no loss of a third.

The rule which gives a power of sale to the master, in a case of urgent necessity, and only then, applies to the goods as well as to the ship. And if goods are hypothecated, the rule is the same as when the ship is bottomed.

The freight is totally lost when the ship is totally lost, or made un navigable, or is subjected to a detention of such a character as to break up the voyage. If there be a constructive total loss of the ship, the owner may abandon the freight with the ship. But if the ship be actually lost, the freight may not be; for the master has the right, and is under the duty, as we have seen, of transmitting the goods, if he can. And if he does, the owner of the ship is entitled to the whole of his freight; and the expense of the transmission is all that he loses. If the master might have done this, and fails to do it, the estimated expense of transmission is still all the loss for which the insurers are responsible, because the rest of the loss is caused by the master's fault in not transmitting the goods.

So, if the ship can be repaired and go on again, and finish her voyage, the owner would have the right to hold on to the goods, and finally carry them and earn his freight. And he has this right, although the delay would be very long, and even if the goods are injured, and it would cost time and money to put them in a condition of safety for the residue of the voyage. Still the ship-owner, by his agent, the master, may do all this, and then earn his freight; and therefore, if it can be done, whether it is done or not, all the claim which the insured on freight can make on the insurers is for the expense of doing it, or what that expense would have been.

The rule which gives a right of abandonment for a loss of fifty per cent applies to freight also. It, therefore, freight *pro rata* be paid, it will be a total loss by construction, if less than half be paid. So, if the ship be injured, and part of the cargo be lost, but the ship may be repaired and carry the remaining goods on, if that part would pay more than half of

the whole freight, it has been held not to be total, and otherwise it is.

Freight is fully earned if the goods remain substantially *in specie* and are so delivered to the consignee, although there be a very great deterioration. But freight is lost, and the insurers are responsible, if nothing is left of the goods but the mere products of decomposition, so that they are lost in fact.

If, after some freight is earned, there is an abandonment of the ship, and after the abandonment more freight is earned, the American cases hold, that the freight earned before the abandonment goes to the insurers on freight; while that earned after the abandonment goes to the insurers of the ship. But the French law is the reverse, and so seems to be the rule in England.

ANALYSES OF RAILROAD REPORTS. No. 5.

PHILADELPHIA AND READING RAILROAD.

THE main line of the Philadelphia and Reading Railroad extends from Richmond (Philadelphia) to Pottsville, Carbon county, a distance of 92.00 miles.

This main line forms the grand trunk over which a large number of other roads, spreading over the eastern coal fields of Pennsylvania, find an outlet to the seaboard. These are mainly owned or leased and operated by the Reading Company, and in fact form the radii of a system of which the main line is the converging point and center. The following table gives the length of single track in each of these roads, with the sidings and equivalent total mileage of the whole system :

Railroads.	Main & Side-branches.	Side-ings.	Total miles.	Railroads.	Main & Side-branches.	Side-ings.	Total miles.
Phila. and Reading.....	198.50	96.96	295.46	Union.....	3.47	0.61	4.08
Willow Street.....	3.50	.54	4.04	Good Spring.....	9.10	1.72	6.51
Mount Carbon & Point Carbon.....	5.00	7.98	12.98	Lorberry Creek.....	5.62	0.89	10.82
Mount Carbon.....	7.83	2.07	9.90	East Mahanoy.....	10.00	1.61	11.61
Lebanon Valley.....	84.88	11.81	96.69	Port Kennedy.....	0.78	....	2.78
Center Valley.....	21.50	1.80	23.30	West Reading.....	1.74	....	1.74
Schuylkill Valley.....	25.23	1.71	26.94	Mine H. & Schuylkill Haven.....	88.12	44.78	132.90
Little Schuylkill.....	82.83	16.87	99.70	Other roads (new).....	3.30	8.95	12.25
Mt. Creek.....	15.03	4.67	19.70				
Total miles of track.....					516.43	201.97	718.40

—and since the close of the fiscal year 1864–65, the East Pennsylvania Railroad, extending from Reading to Allentown, 36 miles, has come under the company's control, and is to be extended to Easton to form with the Lebanon Valley Line a direct communication between the Delaware and Susquehanna rivers.

The *equipment* owned by the company is very complete and costly. At the commencement of the last fiscal year the schedule was as follows :

Locomotive engines of all classes.....	216
Coal cars—8-wheel (3 iron).....	8,137
do 4-wheel (2,964 iron)....	5,151
Freight cars—8-wheel (294 house, 17 cattle, and 535 platform).....	846
do 4-wheel (202 house, 114 platform, etc.)	304
Passenger cars, 8-wheel.....	58
Baggage cars, 8-wheel.....	16
Mail and express cars, 8-wheel.....	7
All other cars.....	568
Total number of cars.....	10,175
—equivalent to 14,336 four-wheel cars.	

CAPITAL ACCOUNT.

The *financial condition* of the company, according to the annual balance sheets for the last ten years, is shown in the following table :

Fiscal year.	Capital and Liabilities.				Cost of company's property.
	Share capital.	Bonds and mortgages.	Dividend fund.	Total, incl. sundries.	
1855-56.....	\$11,375,541	\$7,097,450	\$629,347	\$19,902,720	\$19,163,151
1856-57.....	11,759,149	6,808,600	137,113	19,500,103	19,322,123
1857-58.....	11,737,041	12,195,950	111,314	24,044,305	23,811,916
1858-59.....	11,548,923	12,195,950	223,069	24,211,053	24,070,835
1859-60.....	11,548,929	12,008,150	425,905	24,353,896	24,161,889
1860-61.....	11,548,929	12,411,600	780,743	25,235,483	25,126,369
1861-62.....	11,548,929	12,136,100	990,966	25,525,164	25,523,164
1862-63.....	13,213,237	10,667,323	2,171,259	26,612,828	25,469,544
1863-64.....	20,072,323	7,371,879	872,050	27,716,253	25,469,544
1864-65.....	20,240,673	6,961,879	1,079,265	28,281,817	25,469,544

The large increase in the share capital noticeable in the accounts for the three last years, is mainly due to the conversion of bonds and the payment of dividends in stock. The decrease in the funded debt is accounted for by said conversions, but also to a great extent by the action of the sinking funds.*

OPERATING ACCOUNTS.

The *business of the road* since the completion of the main line has been yearly as follows :

Year ending Nov. 30.	—Passengers.—		—Equivalent "through" tonnage.—			
	Total number.	Equal to "through"	Coal: tons of 2240 lbs.	Merch'dise: tons of 2000 lbs.	Mat'ls: tons of 2000 lbs.	Total: tons of 2000 lbs.
1843.....	53,554	26,494	218,711	17,534	54,787	322,125
1844.....	64,503	33,979	431,785	20,473	160,133	659,299
1845.....	63,719	33,146	814,379	26,039	102,408	1,046,812
1846.....	86,641	45,155	1,186,258	74,971	101,471	1,515,473
1847.....	97,463	49,604	1,360,681	71,718	165,493	1,770,916
1848.....	105,728	55,509	1,235,044	58,123	118,576	1,570,531
1849.....	95,577	49,097	1,097,762	51,204	145,503	1,429,564
1850.....	92,726	46,041	1,351,507	63,625	157,450	1,743,684
1851.....	127,590	57,593	1,650,370	63,807	219,731	2,145,133
1852.....	155,164	69,579	1,650,913	75,769	81,217	2,122,171
1853.....	211,819	92,657	1,532,248	107,853	174,161	2,076,197
1854.....	266,631	105,219	1,987,854	140,801	187,591	2,552,563
1855.....	277,617	111,823	2,213,292	154,384	247,473	2,909,667
1856.....	262,300	106,205	2,068,903	198,886	236,700	2,815,760
1857.....	291,679	107,039	1,709,693	184,617	182,512	1,826,706
1858.....	285,651	104,519	1,542,646	187,729	170,603	2,126,861
1859.....	379,406	126,076	1,633,933	324,609	196,104	2,405,814
1860.....	335,304	129,973	1,946,195	423,523	160,084	2,819,896
1861.....	368,651	140,451	1,639,535	324,958	143,237	2,348,906
1862.....	396,416	150,974	2,310,990	451,733	171,499	3,260,953
1863.....	576,361	211,970	2,065,361	652,363	234,071	4,391,877
1864.....	1,048,501	342,252	3,065,577	807,106	242,906	4,606,286
1865.....	.....	395,359	3,090,814	846,103	....	.....

The *traffic receipts and expenses*, and the net revenue from operations yearly from 1843 to 1865, twenty-three years have been as follows :

* In relation to these movements the President's report for 1865 contains the following: At the annual meeting in 1860 the stockholders created a sinking fund (\$140,000) in addition to similar appropriations required by the terms of various mortgages. The following year the Board of Managers recommended, and the stockholders authorized, the establishment of another sinking fund, which, with those already in existence, had for its object annual deductions from income account equal to the liquidation of the bonded debt at or before its maturity. This debt then amounted to \$11,496,700, of which \$5,096,500 matured in 1866. The fund so created amounted in the following year to \$27,373 41, and it was expected that it would increase each year until the debt was extinguished. Since that date the bonded debt has been diminished by conversion and purchase \$5,181,400. For this reason the Board of Managers regard so large an annual appropriation, in addition to the sinking funds created by the terms of the mortgages, quite unnecessary. They believe it to be a wise policy, and one which should be continued, to purchase the bonds when they can be had on favorable terms; but they recommend that the compulsory feature of the sinking funds thus voluntarily provided by the stockholders should be abolished, and that it be left to the discretion of the managers to purchase bonds when and as suitable occasions offer.

Fiscal Years.	Gross Receipts				Operating Expenses.†	Revenue or Profits.
	Coal.	Passengers.	Merch'dize.	Total.*		
1843.....	\$278,840	\$71,895	\$37,927	\$388,662	\$214,923	\$173,739
1844.....	445,509	92,862	49,293	587,664	329,442	258,222
1845.....	886,939	103,411	60,588	1,050,938	570,726	480,212
1846.....	1,800,677	141,749	137,584	1,989,010	862,320	1,126,690
1847.....	1,698,664	156,201	136,220	1,990,885	1,100,606	890,279
1848.....	1,396,605	174,959	117,458	1,689,022	1,212,029	476,993
1849.....	1,648,900	155,908	106,347	1,911,155	1,023,245	887,910
1850.....	2,071,731	148,379	125,822	2,345,932	1,169,455	1,176,477
1851.....	2,018,871	152,432	123,672	2,294,975	1,394,290	900,685
1852.....	2,150,677	168,430	138,964	2,458,071	1,340,797	1,117,274
1853.....	2,254,694	225,763	180,612	2,660,669	1,329,511	1,331,158
1854.....	2,258,828	272,368	231,627	2,762,823	1,771,201	991,622
1855.....	2,664,095	301,952	325,851	3,291,898	1,941,041	1,350,857
1856.....	3,242,458	288,427	348,699	3,879,584	1,979,019	1,900,565
1857.....	2,412,923	322,612	329,986	3,065,521	1,601,753	1,463,768
1858.....	1,865,695	309,142	335,915	2,510,752	1,382,720	1,128,032
1859.....	1,883,685	365,720	474,888	2,724,293	1,478,477	1,245,816
1860.....	2,323,158	333,359	599,620	3,256,137	1,686,562	1,569,575
1861.....	2,111,023	338,905	406,821	2,905,839	1,492,933	1,412,906
1862.....	2,879,420	403,564	523,416	3,806,399	1,816,055	1,990,344
1863.....	4,897,200	566,520	673,143	6,136,863	2,916,159	3,220,704
1864.....	7,303,775	909,581	953,776	9,167,132	4,961,190	4,205,942
1865.....	8,627,292	1,065,847	1,165,277	10,858,416	6,330,248	4,528,168

* Including "mail" and "miscellaneous," not included in any of previous columns.

† Including drawbacks, renewals, &c.

The receipts and expenses per passenger and per ton, carried 92 miles or "through" in each of the past seven years, have been as follows :

Fiscal Year.	Passengers.		Merchandise, ton—		Coal, ton—	
	Receipts.	Expenses.	Receipts.	Expenses.	Receipts.	Exp'ses
1859.....	\$2 52.9	\$1 52.7	\$1 41.9	\$0 74.7	\$1 15.3	\$0 42.3
1860.....	2 57.5	1 38.0	1 19.9	0 53.0	1 24.9	0 48.8
1861.....	2 41.3	1 34.5	1 25.4	0 70.2	1 24.7	0 41.0
1862.....	2 67.3	1 10.4	1 15.8	0 53.0	1 24.6	0 35.8
1863.....	2 67.3	0 91.3	1 03.2	0 50.3	1 59.8	0 47.0
1864.....	2 65.8	1 13.7	1 18.2	0 63.0	2 35.0	0 31.0
1865.....	2 70.9	1 42.5	1 37.7	0 79.4	2 79.1	1 06.9

The following are the principal payments made in the past ten years from profits :

Fiscal years.	Interest on bonds.	Sinking fund.	New works.	Dividends.—	
				Preferred.	Common
1856.....	\$424,431	\$100,000	.....	\$124,144	\$770,530
1857.....	419,446	100,000	.....	108,626	885,425
1858.....	739,701	150,000	.....	108,626	.....
1859.....	735,321	150,000	.....	108,626	.....
1860.....	781,121	150,000	.....	108,626	.....
1861.....	740,366	150,000	.....	108,626	.....
1862.....	742,881	386,581	.....	108,626	699,788
1863.....	647,426	210,830	1,436,933	108,626	816,299
1864.....	502,154	392,020	2,022,663	232,770	2,885,359
1865.....	409,230	431,230	1,339,245	155,180	1,664,887

GENERAL RESULTS.

The following table gives the cost of the company's property and the results of operations for the years 1843—1865 both included, as measured by the mileage of the main line of the road, viz.: 92 miles, the other roads owned or leased by the company being considered merely as accessories to this grand trunk :

Fiscal years.	Cost of property per mile.	Gives	Opera'g	Profits from	Rates of dividends paid.
		earn'gs.	expenses.	earn'gs.	
		per mile of road.			
1842-43.....	\$77,383	\$4,286	\$2,336	\$1,950	nil.
1843-44.....	102,156	6,496	3,581	2,915	"
1844-45.....	111,699	11,718	6,204	5,514	"
1845-46.....	125,342	20,653	9,373	11,280	10c.
1846-47.....	131,694	21,771	11,961	9,810	12s.
1847-48.....	156,483	18,897	13,174	5,223	nil.
1848-49.....	177,370	21,018	11,123	9,896	"
1849-50.....	177,449	25,695	12,711	12,984	6c.
1850-51.....	180,973	21,945	14,177	10,768	nil.
1851-52.....	186,326	26,963	14,574	12,389	6c. & 8s.
1852-53.....	194,621	29,220	14,451	14,769	3c.

1853-54.....	200,697	41,104	19,252	21,852	10c.
1854-55.....	206,568	46,651	21,098	25,553	4c. & 3s.
1855-56.....	208,295	42,169	21,511	20,658	8c.
1856-57.....	210,028	33,321	17,410	15,911	4c.
1857-58.....	258,825	27,291	15,029	12,262	nil.
1858-59.....	261,639	29,612	16,070	13,542	"
1859-60.....	262,629	36,000	18,332	17,668	"
1860-61.....	274,199	31,585	18,936	17,649	"
1861-62.....	277,480	42,519	19,739	22,780	7s.
1862-63.....	276,833	67,966	31,697	36,269	7s.
1863-64.....	276,833	100,754	53,926	46,828	15s.
1864-65.....	276,833	121,114	68,807	52,307	10c. 10s.

The following table shows the

MARKET PRICE OF STOCK

at the New York Stock Exchange for the five years ending Nov. 30, 1865:

Months.	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.
December.....	29½@36½	30½@34½	74½@ 77½	111½@122	112½@137½
January.....	37½@46	35 @42½	77½@ 96	111 @118½	103 @117½
February.....	34½@47½	40 @44½	89½@ 92	115½@132½	163½@116½
March.....	39 @46	41 @41½	86½@ 91	130½@154	88½@114½
April.....	29½@44½	42 @45½	88 @ 95	125 @165	89½@111
May.....	30½@32½	45½@49½	94 @120	125 @147	90½@107½
June.....	30½@33½	50 @60	89 @114½	138½@145	88 @104½
July.....	33 @39½	54½@59½	95 @111½	125½@139½	98 @108½
August.....	35 @37½	56 @62½	113½@124	132½@138½	98 @107½
September.....	34½@36½	56½@70	112 @123	117½@134	105½@116½
October.....	36½@37	69 @79	119 @128	115 @134	114½@119½
November.....	34 @36½	73½@78½	119 @127½	132½@140	113 @117½
Year.....	29½@47½	30½@79	74½@128	111 @165	88 @137½

The Philadelphia and Reading Railroad was the first great road of its kind in this country, and still enjoys the pre-eminence of being the most important work engaged in the coal trade. The company was chartered April 4, 1833, with authority to construct a railroad from Philadelphia to Reading. At that time it was expected that the line would be continued to the coal fields by other companies; but such anticipation not having been realized, the right to construct the extension to Pottsville was subsequently granted to the Reading company, and the time for its completion was extended to the 20th of March, 1842.

We have no space for a history of this road, however interesting such would undoubtedly be. But it is necessary to give a few dates and facts in relation to its progress and policy. The construction of the road was commenced in 1836, and that part of the line between Reading and Norristown was opened for business July 16, 1838. On the 5th December, 1839, the division between Norristown and Philadelphia was completed. The whole amount expended up to that date was \$4,540,971. The construction of the line from Reading to Mount Carbon occupied the next two years, and this division was fully opened for traffic January 13, 1842. The Richmond track to the Delaware for the accommodation of the coal trade was completed on the 20th of May following.

Thus far the property of the company had cost them between \$6,000,000 and \$7,000,000, and probably the works were equal to the emergency. But really the completion here spoken of was but the commencement of a vast and ever increasing series of constructions. The coal trade was then in its infancy, and only beginning to attract attention. How it has been developed in the next twenty and odd years is illustrated in the foregoing tables. The 200,000 tons carried on the road in 1843 has become more than an annual cargo of 3,000,000 tons, while the passenger and

merchant traffics have increased in even larger proportions. To accommodate this development it was found necessary to increase the capacity of the road, and a second track, branches and sideings followed with an annual addition to the rolling stock, all requiring enlarged capital. The consequence has been that the earnings had to be diverted from their proper destination, and hence, though yearly increasing its profits, the stockholders have failed to realize any important dividends in the shape of cash. At least \$35,000,000 have been earned above working expenses since the road was opened, but scarcely 10 per cent of this amount has been divided, excepting the dividends paid in stock; and yet such has been the prosperous condition of the company, especially of late years, that its stocks have been preferred to cash, and are now selling at a handsome premium.

The property of this company, indeed, has become a magnificent estate, and the capacity of the works for the vastly increased business unquestionable. The main line of works is the outlet of a mineral region of unexcelled value and controls all the operations within its area. By purchase and lease the whole system of railroads traversing it have been consolidated and are now operated under a single direction to the best advantage of the public as well as the company. This plan of absorption was commenced in 1858, when the Lebanon Valley Railroad was purchased. It has been pursued with such success that at the present day the company, whose original road had a length only of 92 miles, control over upwards of 750 miles of track. On this subject the annual report for 1855 has the following remarks:

"Several years ago it was decided to be the policy of the company to control, by lease or purchase, some of the important lateral roads in the coal regions. On these branch roads which intervened between the mines and the works of this company very high charges in most cases then prevailed, thus giving to their proprietors an undue proportion of the profits of the transportation from the mines to market. When such roads were from time to time so leased, the charges for transporting coal were materially diminished. Pending these purchases it was not deemed advisable to state them in detail in the accounts. In former reports they have appeared in the item, 'Stocks and bonds held by the company.' They are now transferred to, and will hereafter appear in the capital account. The largest investment has been made in the Mahanoy and Broad Mountain Railroad, from which one-fourth of the anthracite coal transported by this company was received during the past year. This road and its branches traverse the second coal field, from which largely increased supplies may be hereafter confidently expected. The balance of the stock and bonds \$851,928 57 are chiefly of the same class of investments."

Besides these investments the company have expended, from income during the past three years, upwards of \$5,000,000 in new works.

The works of the company, however, may now be assumed to be materially complete and sufficient for a much larger business than has yet been thrown upon them. Should this prove to be the case, the future is full of promise to the stockholders.

BRITISH AND NEW YORK RAILROADS.

THE two series of tables which follow present certain statistics relating to the results of railroad operations in the United Kingdom and the State of New York in a form easy of comparison. The tables relating to the United Kingdom are constructed from the returns made annually to the British Board of Trade, and those relating to New York

from the returns made to the State Engineer and Surveyor. Both cover the decennial period 1855-64:

Fiscal years.	BRITISH RAILROADS.					
	Miles of road.	Stock, bonds & float. debts.	Passengers carried.	Operations accounts.		
				Receipts.	Expenses.	Profits.
1855.....	8,280	£297,584,709	118,595,135	£21,507,599	£10,299,709	£11,207,890
1856.....	8,777	307,595,086	129,347,592	23,165,491	10,837,456	12,328,035
1857.....	9,094	315,157,258	139,003,888	24,174,610	11,240,739	12,933,871
1858.....	9,542	325,375,507	139,193,699	23,956,749	11,668,225	12,288,524
1859.....	10,002	334,362,928	149,807,148	25,743,502	12,593,213	13,150,289
1860.....	10,433	348,130,127	163,483,572	27,766,622	13,187,368	14,579,254
1861.....	10,869	362,327,338	173,773,218	28,565,355	13,843,339	14,722,016
1862.....	11,551	385,218,438	180,485,727	29,123,558	14,963,409	14,160,149
1863.....	12,322	404,215,802	201,699,466	31,156,397	15,027,234	16,129,163
1864.....	12,739	425,482,438	229,348,654	34,015,564	16,060,308	17,955,256
1855-64.....	102,589	\$2,505,450,631	1,634,743,109	\$299,180,447	\$123,965,498	140,214,949
1855-64 (dolls.).....		\$17,527,252,155	.....	\$1,345,902,225	\$644,637,490	\$701,074,745

Dividing the above figures by the miles of road, the following are the resulting averages:

1855.....	£25,939	14,323	£2,597	£1,244	£1,353
1856.....	35,377	14,855	2,680	1,244	1,316
1857.....	34,655	15,305	2,659	1,266	1,422
1858.....	34,099	14,587	2,516	1,222	1,293
1859.....	33,436	14,980	2,573	1,258	1,315
1860.....	33,399	15,669	2,661	1,264	1,397
1861.....	33,396	15,983	2,628	1,273	1,355
1862.....	33,350	15,625	2,523	1,235	1,287
1863.....	32,504	16,612	2,528	1,219	1,309
1864.....	33,270	17,933	2,680	1,251	1,409
1855-64 (ten y's).....	£32,840	15,698	£2,598	£1,245	£1,353
1855-64 (dolls.).....	\$169,200	.....	\$12,990	\$6,225	\$6,765

Fiscal Years.	NEW YORK RAILROADS.					
	Miles of road.	Stock, bonds & float. debt.	Passeng's carried.*	Operating accounts.		
				Receipts.	Expenses.	Profits.
1854-55.....	2,632	\$144,835,217	10,917,618	\$20,590,650	\$12,102,961	\$8,487,689
1855-56.....	2,632	144,851,597	11,101,912	23,331,077	13,649,565	9,681,512
1856-57.....	2,641	144,683,596	12,558,559	23,098,819	14,547,910	8,550,909
1857-58.....	2,644	145,482,573	10,250,073	19,720,204	12,613,052	7,107,152
1858-59.....	2,644	144,770,938	10,188,059	19,504,974	12,043,302	7,461,672
1859-60.....	2,701	146,918,712	10,305,973	20,477,599	12,652,676	7,824,923
1860-61.....	2,732	149,411,732	9,684,189	21,211,343	13,766,068	7,445,275
1861-62.....	2,829	148,206,113	12,870,455	27,163,119	16,029,914	11,133,205
1862-63.....	2,853	145,954,380	10,765,681	33,704,142	20,337,430	13,366,712
1863-64.....	2,852	151,861,768	14,122,056	41,807,104	29,193,748	12,613,356
1855-64.....	27,209	\$1,464,278,676	113,079,680	\$250,508,935	\$156,941,625	\$93,567,311

Dividing the above figures by the length of the roads, the following results are obtained:

1854-55.....	\$55,029	4,146	\$7,321	\$4,600	\$2,721
1855-56.....	54,843	4,218	8,848	5,186	3,662
1856-57.....	54,783	4,755	8,746	5,509	3,237
1857-58.....	55,023	3,877	7,459	4,779	2,680
1858-59.....	54,754	3,834	7,339	4,557	2,782
1859-60.....	54,414	3,817	7,584	4,686	2,898
1860-61.....	53,707	3,479	7,634	4,948	2,686
1861-62.....	51,692	4,549	9,601	5,666	3,935
1862-63.....	51,176	3,775	11,819	7,131	4,687
1863-64.....	53,949	4,976	14,659	10,237	4,422
1855-65.....	\$53,816	4,156	\$9,207	\$5,768	\$3,439

From the foregoing tables we have the following comparative results per mile:

COMPARATIVE RESULTS.					
British Railroads.....	\$169,200	15,698	\$12,990	\$6,225	\$6,765
New York Railroads.....	53,816	4,156	9,207	5,768	3,439
Difference in favor of British.....	\$115,384	11,542	\$3,783	\$457	\$3,326

* This item is introduced solely to correspond with the British table. It is of no practical value, as the number, though act ally the same, would, of necessity, be reduced by the constant consolidation taking place. To be statistically effective the *mileage* of passengers ought to have been presented.

One of the most striking results of operating railroads in the United Kingdom is the moderation and uniformity of the expenditures. The average cost of operations, covering repairs, material and labor of all kinds, for the ten years 1855-64 was £1,245 or \$6,225 per mile, £1,273 having been the highest and £1,219 the lowest in any one year. The average earnings in the same years was £2,598 or \$12,990 per mile, varying from £2,661, the highest, to £2,516 the lowest points. The result has been an average profit of £1,353 (52 per cent of gross earnings) per mile, or *four* per cent on the average cost of a mile of road. From these figures it is evident that the expenditures have been economized to a practical minimum and an ascertained sum. The variations from these averages through ten years have been too slight to admit of questioning their permanence.

In America, or at least in New York, the average profits from operations for the ten years included in the tables have been only 37½ per cent. The average earnings per mile were \$9,207, and the average cost of operating \$5,768. To whatever this higher cost is due, whether the nature of the constructions operated on, or a want of economy, or both, the fact is no less important. But still, with the lower rate of profits the capital invested in American railroads earns, in relation to the investment, nearly 6½ per cent. It is not supposed, however, that this rate goes wholly to capital, as it is the practice of companies in this country to use earnings, (and in many cases a very large portion of them.) to extend or improve their properties. In Great Britain, on the contrary, new works and improvements are the basis of new capital, the whole of earnings going to the capital that has made them.

The territory occupied by the railroads of the United Kingdom and the State of New York is far from being of equal extent. The total area of the British Islands is 120,000 square miles and of New York 46,000 square miles, or in the relative proportion of 1000 to 383. Taking the average mileage of existing railroads for the ten years, this would give to the United Kingdom *one* mile of railroad to every 11.5 square miles of territory and to New York *one* mile to every 16.9 square miles.

The density of population is also largely in favor of the United Kingdom, which in 1860 contained 29,293,312 inhabitants or 244 to the square mile, while New York contained only 3,880,735 or 84 to the square mile—the difference being about 3 to 1 in favor of the former. But the insular condition of the British territory precludes what New York enjoys—a transit commerce of vast extent.

In the United Kingdom railroads and their accessory structures have been built for all time. In New York they have been constructed to meet successive emergencies without looking to the far future. The one presents solidity and grandeur, the other comparative weakness and insufficiency. The sequel of these opposite conditions is, that while the British can operate their railroads at the highest speed, we have to be satisfied with the lowest; and again, while renewals and repairs are the bane of American railroads, they are known to the British as accidental rather than incidental. The cost per mile of British railroads, however, has been more than three times as much as

those of New York, and such roads could only have been constructed by a people having large unemployed or badly remunerated capital. Here capital is scarce and profitably employed, and could not possibly have been diverted to a single purpose without prejudice to the general welfare.

PETROLEUM FOR 1865.

THE production of Petroleum the past year has not reached the point anticipated for it by the over sanguine. The large amount of capital attracted through brilliant promises during 1864, and the early part of 1865, has received but a poor return. Not only is this seen in diminished exports, but the total receipts have fallen off, showing a diminished production. For instance, the total amount taken for consumption at New York, and exported from New York, Boston, Philadelphia, &c., was as follows for the last three years:

	1863.	1864.	• 1865.
Exported from New York, bbls.....	488,690	523,394	877,162
Taken for consumption.....	814,481	942,187	941,161
Total New York.....	803,171	775,581	618,323
Boston exported.....	51,235	42,807	37,867
Philadelphia.....	134,898	194,008	307,673
Baltimore.....	22,896	23,249	25,608
Portland and elsewhere.....	8,552	1,769	3,737
Total, bbls.....	1,020,747	1,936,915	993,208

EXPORT OF CRUDE AND REFINED (INCLUDING NAPHTHA, ETC.), FROM NEW YORK, FOR THE YEARS 1865, 1864, 1863 AND 1862.

	1862. Gallons.	1863. Gallons.	1864. Gallons.	1865. Gallons.
To Liverpool.....	1,781,377	2,156,851	734,755	1,561,997
London.....	1,133,319	2,576,381	1,490,710	876,223
Glasgow, &c.....	24,181	414,948	868,402	156,140
Bristol.....	.....	71,912	29,124	110,412
Falmouth, E.....	.....	626,176	316,402	509,815
Grangemouth, E.....	.....	425,824	.....	102,292
Cork, &c.....	299,356	1,532,257	3,310,362	1,157,486
Bowling, E.....	195	.....	87,164	.....
Havre.....	791,321	1,774,899	2,324,917	604,339
Marseilles.....	135,765	1,167,893	1,982,075	1,333,752
St. Nazaire & Rouen.....	.....	.....	.....	93,841
Cette.....	2,000	.....	4,800	.....
Dunkirk.....	2,700	.....	232,803	110,099
Dieppe.....	61,692	46,000	79,581	.....
Antwerp.....	.....	2,692,974	4,149,821	1,593,528
Bremen.....	823,090	903,664	971,905	231,983
Amsterdam.....	452,522	426	77,041	.....
Hamburg.....	229,384	1,486,155	1,186,060	981,766
Rotterdam.....	16,988	757,249	532,926	292,569
Gottenburg.....	81,960	.....	33,813	.....
Cronstadt.....	.....	88,060	400,376	891,389
Stettin.....	.....	.....	.....	53,317
Cadiz and Malaga.....	.....	33,284	58,474	97,782
Tarragona and Alicante.....	.....	33,006	16,823	44,983
Barcelona.....	.....	.....	25,509	5,128
Gibraltar and Malta.....	157	308,450	89,181	72,742
Oporto.....	.....	2,239	17,474	28,205
Naples and Palermo.....	3,990	57,115	7,963	22,615
Genoa and Leghorn.....	21,009	393,674	679,603	666,611
Trieste.....	.....	3,000	165,175	66,371
Alexandria, Egypt.....	.....	.....	4,000	.....
Lisbon.....	.....	64,662	167,196	93,703
Canary Islands.....	1,295	5,125	3,863	5,244
Madeira.....	430	430	.....	.....
Bilboa.....	.....	.....	2,500	153,818
China and East Indies.....	3,970	36,943	34,338	42,170
Africa.....	655	12,230	25,195	17,000
Australia.....	233,623	304,165	377,384	735,891
Otago, N. Z.....	7,850	5,500	10,810	14,680

Sydney, N. S. W.....	118,750	48,013	97,880	162,923
Brazil.....	54,967	160,152	149,676	291,752
Mexico.....	18,616	69,481	112,986	194,936
Cuba.....	218,680	356,436	418,034	704,627
Argentine Republic.....	7,390	24,470	20,260	67,416
Chilplatine Republic.....	18,217	117,626	78,552	72,852
Chile.....	17,898	66,550	92,550	53,326
Peru.....	56,011	256,407	169,061	110,840
British Honduras.....	.....	440	6,072	2,052
British Guiana.....	9,396	15,104	7,881	5,800
British West Indies.....	18,888	60,931	70,976	108,441
British North American Colonies.....	2,943	16,995	28,902	104,080
Danish West Indies.....	4,102	81,503	8,463	10,947
Dutch West Indies.....	7,117	12,148	26,638	18,809
French West Indies.....	2,382	9,104	16,020	31,118
Hayti.....	4,856	12,064	7,088	13,696
Central America.....	1,764	456	993	5,494
Venezuela.....	1,094	15,455	28,583	39,794
New Granada.....	87,058	107,837	57,490	58,570
Porto Rico.....	25,244	59,439	20,026	43,355
Total.....	6,720,213	19,547,604	21,335,784	14,332,132

TOTAL EXPORTS IN 1862, 1863, 1864 AND 1865.

	1862.	1863.	1864.	1865.
From New York .....gallons.....	6,720,278	19,547,604	21,335,784	14,332,132
Boston	1,071,100	2,049,431	1,696,807	1,428,978
Philadelphia.....	2,800,972	5,395,733	7,760,148	11,891,568
Baltimore.....	174,830	915,866	929,971	973,177
Portland.....	120,150	342,082	70,762	11,088
New Bedford.....	.....	.....	.....	50,000
Cleveland.....	.....	.....	90,000	81,173
Total export from the U. States.....	10,887,330	28,250,721	31,872,972	28,775,111

COMMERCIAL CHRONICLE AND REVIEW.

Uncertainty in financial matters, cause of dull business—Rates of loans and discount—New finance bill before Congress—Specie payments and compound interest notes—Prices of U. S. securities in London—Prices of U. S. securities in New York—Ownership of lost bonds—Treasure movement—Failures for the year—Railroad stocks and the Mississippi—Course of Gold and Exchange.

THE general complaint in commercial and financial circles the past month has been that business is dull, and that in several important departments industrial and commercial enterprise is for the present almost arrested. Among the causes of this torpor a permanent place must be given to the incertitude as to the future course of prices. If the policy of contracting the currency is to be carried forward, then there must inevitably be a general "shrinkage" of prices, and on a falling market nobody wants to buy. Every man in business is anxious to curtail his engagements, not knowing what changes may be impending in prices and in private and public confidence. The agitation respecting the financial policy of the government is thus producing wide spread depression and probably there will be no positive improvement until the course of the Treasury in reference to the currency is definitely marked out and settled by Congress.

As generally happens in cases similar to the present, an unusual amount of unemployed funds is held by capitalists and merchants who are anxious to have their means at command. Thus larger sums of money are offering in Wall Street every day than the very limited business now doing can find employment for. The money market is plethoric with capital-seeking temporary borrowers, and the deposits in the banks rise and fall in a very embarrassing and spasmodic manner, as the dealers are able to withdraw to lend their funds for a day or two

on call. These and kindred symptoms have awakened some apprehension lest a panic should supervene. But, really, such cautious circumspection affords the very best ground of confidence. For the panic which every body expects never comes. And the short credits which are now in vogue are among the very best safeguards against such financial disasters. The following have been the rates for the various class of loans through the month :

RATES LOANS AND DISCOUNTS.

	Jan. 5.	Jan. 12.	Jan. 19.	Jan. 26.
Call loans.....	5@..	5@ 6	4 @ 6	5 @ 6
Loans on Mortgage.....	6@ 6½	6@ 6½	6 @ 6½	6 @ 7
A. 1, endorsed bills, 2 ms	7@ 8	7@ 8	6½@ 7½	6½@ 7½
Good endorsed bills 8 & 4 mos	8@ 9	8@ 9	7½@ 8	7½@ 8
“ “ single names	8@10	9@10	8 @ 9	8 @ 9
Lower grades.....	10@15	10@15	10 @15	10 @15

As stated above we do not look for any decided revival of business, until Congress has indicated what is to be its action in reference to our finances. The bill reported by Mr. Morrill, the 8th of January, and now before the Committee of Ways and Means for consolidating the public debt, &c., is, therefore, the most important measure of the session, and many of its features have called forth decided opposition and served to disturb public confidence. In the examination of its details, however, our readers must keep in mind the state of things with which the bill has to deal, and the difficulties it is designed to meet.

The chief of these difficulties is the large amount of our short-date floating obligations. Of our national debt, which amounts altogether to about 2,800 millions, some 1,100 millions are represented by long bonds, none of which mature before the year 1880. The remainder of the debt, or almost 1 700 millions, is of shorter date, the larger part of it falling due in 1867 and 1868. The problem to be solved by the bill before us then is to raise 1,700 millions of dollars during the next two years, or as soon thereafter as the money may be wanted to extinguish the greenbacks and other outstanding obligations of the Treasury. Mr. McCulloch, when he was here the early part of the month, expressed the opinion that the income of the Government from taxation will be enough to pay all new claims and current expenditures. If so, the above-mentioned 1,700 millions are all that will be necessary to provide for by a loan.

Now there are some among us who say that this amount is too large for us to raise without appealing to foreign capitalists for aid. But the Treasury report recently presented to Congress, shows that during the last year of the war we raised by loans and taxes no less than \$1,897,674,224. We shall surely be able to raise 1,700 millions in several years, if during a single year of war we raised 1,900 millions, without impoverishment, without prostrating our national industry, and without producing more than a transitory retardation of the swift, deep widening current of our national wealth. Yet in deference to the desponding few there has been inserted in the draft of the new finance bill the objectionable and unpopular feature of a foreign loan.

Another complaint against the bill at present is that, as reported, it lacks unity of purpose and is too vague and indefinite. The amount to be borrowed under it for instance is nowhere fixed. In no previous loan bills, even during

the prodigious expenses of the war, has Congress ever failed to limit the borrowing power to a specific amount. But although we know exactly how much we shall require to borrow, the measure fixes no limits to the authority given to the Secretary of the Treasury to issue securities or to pledge the credit of the nation.

Moreover, he is to emit bonds not only for the purpose of retiring United States notes and other floating obligations, but he may exchange any bonds authorized by this act for any other bonds of the United States. This last provision is interpreted to refer to the five-twenties, and to the sixes of 1881; which securities it is urged should be transformed into one consolidated fund. The magnitude of this change may be inferred from the fact that five-twenties amount to \$665,370,800, and the sixes of 1881 to \$282,645,800, both bearing interest at 6 per cent in coin.

For our own part, however, we can scarcely believe that this plan is seriously entertained or could be at present realized. The time for changing the interest on our bonds from 6 to 5 per cent, or even lower, will assuredly come. But before that change is possible Congress will have abundant time to consider the best methods of accomplishing the work. And the bill before us is intended for a very different purpose. That part of the first section, therefore, which authorizes the exchanging of bonds, except it can be sustained by more adequate reasons, will run imminent risk of being struck out. The objects to be accomplished by the present Congress in this part of its financial legislation are of the highest possible moment, and the country cannot afford to run the risk of having them thwarted by complications with schemes of doubtful practicability and more than doubtful policy. But it is generally agreed that Mr. Morrill's loan bill, in its present shape, cannot pass, and that Congress will have to make some important modifications to render it acceptable to the nation or adapt it to its purpose. In the meantime, however, commercial enterprise must be arrested and business must continue dull so long as a doubt with regard to our future financial policy exists.

It should be remembered by Congress that after all, the great point to be solved is, how can we return to specie payments with the least disturbance to our monetary and commercial interests. The fundamental great fault of our paper currency is evidently its redundancy. Too much of it is afloat, and the over issue has caused its depreciation. Whatever diversity of opinion obtains in the public mind on other monetary questions, on this point there is none. We all believe that the first thing to be done, with a view to currency reform, is currency contraction. Before we can hope to resume coin payments, the volume of our paper money must be reduced. How much of it must be withdrawn, none of us are wise enough to say. We shall find out by experience. But the best evidence at command seems to point to the conclusion that the amount of our paper currency will not usually exceed 350 or 400 millions in time of specie payments. Whatever may hereafter prove to be the normal amount, however, we know that a very large part of the paper currency now afloat must, as soon as possible be demonetized and got out of the way.

Some people argue as if this contraction of our paper money were a work of the future, a voyage not yet begun, a perilous enterprise for which we have no precedents to guide us. But, really, the process of contraction has been going on around us for several months past; and it has proceeded so gradually and quietly that we have scarcely suspected, as we have seen gold fall, and merchandise fall, and most of the necessities of life fall, that to the other causes of this decline of prices was added one greater and more permanent than them all—the appreciation of our currency, the gradual contraction of its volume, the increasing growth of its purchasing power.

It is a noteworthy and very gratifying fact, that this contraction has been effected without any of those spasms which usually attend such changes, and is altogether due to the compound interest notes. They have proved to be at once the most powerful the most satisfactory, and the most elastic of all the methods which have ever been devised for checking the inflation and contracting the volume of a depreciated paper money.

Of these compound notes there are at present outstanding 180,000,000; most of which have now ceased to circulate as money. The volume of our active currency has thus been lessened to a corresponding extent, and the contraction of the currency has produced and will continue to produce, as it goes on, a powerful effect on prices.

Nor is this result mysterious or incapable of rational explanation. It is in perfect accordance with the well-known principles of monetary science. For, as the best authors tell us, there are two things which chiefly govern the depreciation of paper money, first its quantity and secondly its activity. If we wish to diminish the depreciation of our currency we must diminish either its quantity or activity or both.

Such, then, is the problem to be solved in the restoration of our currency. We shall lessen its depreciation in proportion as we either lower its quantity or retard its activity: As we stated before this is being done by the compound interest notes. These notes, when first issued, move as quickly from hand to hand as ordinary greenbacks; but as interest accrues they circulate slowly, because they are legal tender only for their face, and the holder, if he pays them out, loses the interest. After a few months they accumulate in the vaults of banks and elsewhere, and do not emerge from their retreat to join the current of the circulation except when some stringency or pressure in the money market summons them. And at length, when they are sufficiently fat with interest, they slumber in their hiding place, no matter how severe the pinch and monetary spasm may be. Here, then, we have the problem of contraction completely solved. We see a legal tender note passing through all the stages of diminishing activity, until at last it is, for all practical purposes, as completely demonetized and fixed as the United States bonds themselves.

This, then, is the machinery for contracting our currency. It is a plan which is now in operation. It has stood the test of experience. What remains to be done is to use it wisely. Let the whole mass of greenbacks be gradually, slowly converted into compound interest notes falling due at different dates. Let these compound notes be funded into long bonds on liberal terms during their third

year; and finally let the banks continue to use these notes as a part of their reserve until maturity, but not afterwards. In other words, let these notes cease to be legal tenders at maturity.

The uncertainty as to financial measures to be adopted by Congress has tended to depress Government securities through the month. Towards the latter part of the month the news from Europe of the delicate condition of the finances at London also combined to produce a general indisposition to buy United States bonds. Later dates, however, show continued demands in England and on the Continent for five-twenties, with a decided advance in face of the high rate of interest now asked at the Bank of England, and consequently a better feeling exists here. The following table shows the prices at London of five-twenties and other American securities each day, for the first two weeks of January, 1866:

PRICES OF AMERICAN BONDS AND STOCKS AT LONDON.												
	Week ending January 6.						Week ending January 13.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20's, '82.		65½	64½	64½	64½	64½	64½	64½	64½	64½	64½	65½
Virginia State 5 per cents.		50	50	50	50	50	50	50	50	50	50	50
do do 6 do		41	41	41	41	41	41	41	41	41	41	41
Atlan. & G. West, Newp.												
section, 1st mort, 1880.		78	78	78	78	78	78	78	79	77	77	77
do Pennsylv'a, 1877		74	74	74	74	74	81	81	79	80	80	80
do do 1882		74	74	74	74	74	74	74	74	74	74	74
Erie Scrip. 6 per cent		1½p.	1prn	1p.	½p	½p.	½p	½p	½p	½p	½p	½p
Illinois Central, 1875, 6 p.c		81	81	81	81	81	81	81	80	80	81	81
do do 7 per c't		70	70	70	70	70	70	70	68	65	68	68
do do \$100, all p'd		78½	77½	77½	77	77½	76½	75½	75½	75½	75½	76½
Marietta & Cincinnati		72	73	73	73	78	78	73	73	73	73	73
Panama R., 2d mort, 1872		102	102	102	102½	102½	102	102	102	102	102	102
Penn. R'd Bonds, 2d mort		85	85	85	85	85	85	85	85	85	85	85
do do \$50 shares		84	84	84½	84	84	84½	84	84	84	40	40
Philadelphia and Erie, 1st												
mort, 1881, guaranteed												
by Pennsylv'nia Railr'd		75	75	75	74½	74½	75	75	75	75	75	75

The prices here of governments and the last sales on each day through the month have been as follows:

PRICES OF GOVERNMENT SECURITIES, JANUARY, 1866.							
Day of month.	6's, 1881.—		6's, 5-20 yrs.—		5's, 10-40 yrs.—		7-30's, 1863.
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	
Monday.... 1							
Tuesday... 2	104½		105		93½		99½
Wednesday 3	104½	104½	104½		93½		99½
Thursday.. 4	104½		105		93½		99½
Friday.... 5	104½	104½	104½	102½	93		98½
Saturday... 6	104½	104½	105	102½	93½		98½
Sunday.... 7							
Monday.... 8			104½	102½			
Tuesday... 9	103½	104½	103½		93		98½
Wednesday 10	103½	104½	104		93½		98½
Thursday.. 11	104½	104½	104½		93½		98½
Friday.... 12	104	104½	104		93½		98½
Saturday... 13	104		103½		93½		
Sunday.... 14							
Monday.... 15	104		104		93		99½
Tuesday... 16	104½	104½	104		93½	98½	
Wednesday 17	104		104	102	93½		98½
Thursday.. 18	104	104	103½		93½	93½	98½
Friday.... 19	103½		103½		93½		98½
Saturday... 20			103½		92½		99
Sunday.... 21							
Monday.... 22			103		93	93½	
Tuesday... 23	103½		102		93		98½
Wednesday 24	103½		103		93		98½
Thursday.. 25	103½	103½	102½		93	93	98½
Friday.... 26	103½		102½	101½	92½		98½
Saturday... 27	103½		102	101½	92½		98½
Sunday.... 28							
Monday.... 29	103½	103½	101½		92½		98½
Tuesday... 30	103		101		92		98
Wednesday 31	103		101		92		98
Lowest.....	103½	103½	101½	101½	92½	93	98½
Highest.....	104½	104½	105	102½	93½	93½	99½

Among the numerous questions of disputed ownership of lost or stolen bonds, none recently raised has been of more interest than that which was reported in the Washington correspondence of one of our city papers a few days since. The following is the statement, as it appeared in the *Herald*:

"A case was recently brought before the Treasury Department for decision of considerable interest to holders of certificates of indebtedness and other government securities. The holder of a thousand dollar certificate mailed it to the department for redemption without filling the blank space making it payable to the order of a particular person. It was stolen from the mail, and sold finally to a party in Boston, the blank filled by this holder, and the certificate forwarded to the department the second time. Both parties forwarding it for redemption promptly notified the department, and on its final arrival each claimed its possession. The department held that by neglecting to fill the blank the New Yorker lost possession, and awarded its payment to the Boston holder."

It may, at first sight, be questioned whether the Treasury Department was justified in deciding the question of ownership, or whether this point should not have been left for a court of law to determine. But the ruling of the courts is so uniform on this point that there is no doubt but the Treasury Department acted rightly in the business. The certificate is payable to the bearer just as a bank bill, or a greenback treasury note. The chief point of interest in this case is, however, the view it gives of the carelessness of the man who mailed the document to Washington for redemption without properly cancelling it. Had he written across the face of the certificate, as is usual, the words, "Pay to the Secretary of the Treasury for redemption," and signed his name to this endorsement, the security would have been of no value whatever to any other person but himself; it would have been paid to nobody else; and he would have had a claim on the Department for the amount, even if the security itself was never found. It was also a proof of carelessness to send by mail, in any case, a valuable document which is negotiable like a bank note by personal delivery. A prudent man would send such papers by Express, as the companies are, in all cases of loss, responsible for the full amount.

The treasure movement at New York weekly, and the amount in banks at the close of each week since January 1, has been as follows:

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Interest payments.	Gold Certificates issued.	Gold Certificates returned.	In banks at close of week.
Jan. 6.....		\$552,027	\$2,107,341	\$3,597,240	\$3,122,440	\$1,34,8332	\$15,778,741
" 13.....	\$685,610	640,503	2,334,694	1,130,789	3,206,180	1,578,194	16,852,563
" 20.....	799,708	685,894	2,754,969	574,163	2,706,400	1,928,641	15,985,372
" 27.....		656,812	3,226,040	379,842	2,598,400	2,187,048	13,106,759
Since Jan 1.....	\$1,485,316	\$2,535,236	\$10,422,444	\$5,582,033	\$11,633,429	\$6,992,715	\$13,106,759

The failures for the past nine years have just been published by Messrs. R. G. Dunn & Co. of this city.

The statement is as follows for the Northern States:

1857	4,257	\$265,518 000	1862.....	1,652	\$28,049,300
1858	8,113	73,608,746	1863.....	495	7,899,000
1859	2,959	51,314,000	1864.....	510	8,579,700
1860	2,733	61,739,474	1865.....	500	17,625,000
1861	5,935	178,632,180	Average from '57 to '65. \$76,473,000		

From this report it appears that while 4,257 failures occurred in 1857 and 5,935 in 1861, there were no more than 500 last year and 510 the year before.

It is worthy of remark that the pecuniary amount of the failures was twice as large in 1865 as in 1863 and 1864. This is partly accounted for by the fact that the capital employed by business firms is greater than ever before. There is an increasing tendency in our capital to move in larger masses than formerly. Small business firms compete at more disadvantage with richer houses, and are gradually being absorbed into them. Thus we have more men worth \$100,000 in some of our large commercial cities than were reputed five years ago to be worth \$50,000. No doubt much of this reputed capital is fictitious. But the power accumulating in the moneyed classes from the concentration of capital in large masses is attracting the attention of close observers of the money market. It is one of the signs of the times, and will probably exert no small influence over the future growth of our industrial and commercial enterprise.

Railroad stocks have been decidedly lower during the month as will be seen from the table below :

PRICES OF RAILWAY SHARES.

	Sept. 28.	Oct. 28.	Nov. 28.	Dec. 28.	Jan. 28.
New York Central	94	97½	96½	96½	91
Hudson River	109½	108½	108½	108½	101½
Erie	88	92½	91½	96½	88½
Reading	109½	114½	115½	106	98½
Mich. So. and N. I.	68	73½	78½	74½	67½
Illinois Central	129	137½	132	131½	115½
Cleveland and Pittsburg ..	71½	82½	91½	83½	78
Chicago and N. W.	28	30	35½	35½	28½
Chicago and R. I.	112½	107½	107½	108	97½
Fort Wayne	98½	99½	105½	106½	93½

The movement in railroad stocks has been almost exclusively speculative and confined to brokers and professional operators. The outside public prefer investing their surplus means in Government securities to taking ventures in stocks ; indeed, the successes of speculation and the losses of inexperienced dabblers appear to have produced a very general impression in the public mind that, to the uninitiated, Wall street speculation affords much better chances for losing money than for making it ; and the result is that speculation is now little else than a changing of securities between brokers.

The cause of the decline may probably be traced to the decrease in the earnings of the railroads since the opening of the Mississippi. The events of the last four years appear to have almost obliterated the consciousness that we have a great natural outlet for commerce in the far South. Gradually the products which have been wont to flow on the bosom of the "Father of Waters" to the ocean have been directed to the railroads and canals which feed the Atlantic cities ; and almost unconsciously New York has been transacting an enormous trade which geographical distribution has assigned to New Orleans. This fact is well illustrated by the following, showing the gross earnings of the principal railroads leading from the Mississippi River to Chicago, and from Chicago eastward, for the years 1860-65, both inclusive. The returns for 1860 show the trade as it was before the river was closed ; during 1861, the river being open part of the year, and all business paralyzed during the first months of the war, the full effect of the change is not seen. In 1863 the tide towards New York had fully set in, and has continued to increase until within the last three months

of 1865. Allowance, of course, however, should be made, in examining this statement, for the higher freight charges asked during our currency depreciation:

Years.	Illinois Central.	Pitt'bg, F.W. & Chicago.	Chicago & Alton.	C. B. & Rock I.	Michigan Central.	Michigan Southern.
1860...	\$2,664,848	\$2,885,364	\$ 938,641	\$1,181,008	\$2,025,142	\$2,068,896
1861...	2,899,612	3,081,787	1,098,464	1,261,050	2,124,314	2,189,077
1862...	3,445,827	3,745,810	1,225,001	1,428,489	2,650,702	2,647,832
1863...	4,571,028	5,132,934	1,678,706	1,959,267	3,143,945	3,302,541
1864...	6,329,447	7,120,465	2,548,416	3,095,470	3,966,946	4,110,154
1865...	6,837,586	8,438,394	3,703,118	3,228,088	4,521,046	4,951,441

The following table compares the gross earning of these lines for the month of December, 1865, and for 1864:

Railroads.	Gross Earnings		Earnings per week	
	1864.	1865.	1864.	1865.
Chicago & Northwestern	\$563,401	\$546,609	\$ 925	\$ 805
Chicago & Alton.....	241,582	224,022	860	799
Chicago & Rock Island	321,085	190,227	1,770	1,045
Illinois Central.....	603,402	497,402	852	827
Michigan Central.....	376,470	328,869	679	857
Michigan South. & N. Indiana.....	411,806	366,192	784	700
Pittsburg, Fort Wayne & Chicago...	914,082	570,826	1,953	1,219

The year opened with gold at 144½, gradually declining during the first week to the neighborhood of 140, and on the 9th dipping to 136½; the fluctuations have since then been very small, the range for the last two-thirds of the month not having exceeded 3½, vibrating in the meanwhile from 141½ to 137½, and closing on the 31st at 139½. The total range of the month was between the prices of the 2d and those of the 9th a difference of 7½. The following table, constructed from the Gold Exchange Lists, shows the daily fluctuations for the month:

COURSE OF GOLD FOR JANUARY.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Monday	1				Saturday	20	138½	139½	138½
Tuesday	2	144½	144½	144½	Sunday	21			
Wednesday	3	144½	144½	143½	Monday	22	139½	139½	138½
Thursday	4	143½	143½	142½	Tuesday	23	138½	139½	138½
Friday	5	142½	143½	142½	Wednesday	24	139½	139½	139½
Saturday	6	142½	143	141½	Thursday	25	139½	139½	139½
Sunday	7				Friday	26	139½	139½	139½
Monday	8	141½	141½	139½	Saturday	27	139½	139½	139½
Tuesday	9	138½	139½	136½	Sunday	28			
Wednesday	10	139	139½	138½	Monday	29	139½	140½	139½
Thursday	11	139	139½	138½	Tuesday	30	141	141½	140½
Friday	12	138½	139½	138½	Wednesday	31	140½	141½	139½
Saturday	13	139½	139½	139					
Sunday	14				January, 1866.....		144½	144½	136½
Monday	15	139½	139½	139½	" 1865.....		228½	234½	197½
Tuesday	16	139½	139½	139	" 1864.....		151½	159½	151½
Wednesday	17	139½	140½	139½	" 1863.....		133½	160½	133½
Thursday	18	139½	140	138½	" 1862.....		par	103½	par
Friday	19	138½	138½	137½					

The uncertainty as to the action of Congress in relation to the currency, and the recent rise in the minimum of the Bank of England have had a tendency not only to maintain the prices but to foster an advance in rates. This is especially observable in the last half of the month.

The following table shows the highest and lowest prices of gold in this market for each month of the years 1862-65, both inclusive:

Months.	1863.	1863.	1864.	1865.
January	100 @108½	183½@160½	151½@159½	197½@234½
February.....	102½@104½	152½@172½	157½@161	196½@216½
March.....	101½@102½	189 @171½	159 @169½	148½@201
April.....	101½@102½	145½@157½	166½@184½	143½@154½
May.....	102½@104½	148½@154½	168 @190	128½@145½
June.....	108½@109½	140½@148½	193 @250	135½@147½
July.....	108½@120½	123½@145	222 @285	138½@146½
August.....	112½@116½	122½@129½	231½@261½	140½@145½
September.....	116½@124	126½@143½	191 @251½	142½@145
October.....	122 @183½	140½@156½	189 @227½	144½@149
November.....	129 @183½	148 @154	210 @260	145½@148½
December.....	128½@184	148½@152½	212½@243½	144½@148½
Year.....	100 @184	122½@172½	151½@285	128½@234½

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of January, 1866 :

COURSE OF EXCHANGE FOR JANUARY.						
Days.	London. cts for 54d.	Paris. centimes for \$.	Amsterdam. cts for florin.	Bremen. cents for rix \$.	Hamburg. cents for M. banco.	Berlin. cents fo thaler.
1..		<i>(New Year's Day—A Legal Holiday.)</i>				
2.....	109 @109½	520 @516½	40½@41	79½@79½	86½@86½	71½@71½
3.....	109 @109½	520 @516½	40½@41	79½@79½	86½@86½	71½@71½
4.....	109 @109½	520 @516½	40½@41	79 @79½	86½@86½	71½@71½
5.....	109 @109½	520 @516½	40½@40½	79 @79½	86½@86½	71½@71½
6.....	109 @109½	520 @516½	40½@40½	79 @79½	86½@86½	71½@71½
7.....						
8.....	109 @109½	520 @515½	40½@40½	78½@79½	86½@86½	71½@71½
9.....	109 @109½	520 @515	40½@41	78½@79½	86½@86½	71½@71½
10.....	109 @109½	520 @515	40½@41	78½@79½	86½@86½	71½@71½
11.....	108½@109	521½@517½	50½@40½	78½@79	86 @86½	71 @71½
12.....	108½@109	520 @516½	40½@41	78½@79½	86½@86½	71½@71½
13.....	108½@109	520 @516½	40½@41	78½@79½	86½@86½	71½@71½
14.....						
15.....	108½@108½	520 @517½	40½@40½	78½@79½	86½@86½	71½@71½
16.....	108½@109	520 @516½	40½@40½	78½@79½	86½@86½	71½@71½
17.....	108½@109	520 @516½	40½@40½	78½@79½	86½@86½	71½@71½
18.....	108½@108½	521½@517½	40½@40½	78½@79½	86 @86½	71½@71½
19.....	108½@108½	522½@517½	40½@40½	78½@79	86 @86½	71 @71½
20.....	108½@108½	522½@517½	40½@40½	78½@79	86 @86½	71 @71½
21.....						
22.....	108½@108½	521½@518½	40½@40½	78½@79	86 @86½	71 @71½
23.....	108½@108½	522½@518½	40½@40½	78½@79	86 @86½	71 @71½
24.....	108½@108½	522½@518½	40½@40½	78½@79	86 @86½	71 @71½
25.....	108½@108½	522½@518½	40½@40½	78½@79	86 @86½	71 @71½
26.....	108½@108½	522½@517½	40½@40½	78½@78½	86 @86½	71 @71½
27.....	108½@108½	522½@517½	40½@40½	78½@78½	86 @86½	71 @71½
28.....						
29.....	108½@108½	520 @517½	40½@40½	78½@78½	86 @86½	71 @71½
30.....	108 @108½	523½@518½	40½@40½	78 @78½	86 @86½	71 @71½
31.....	108 @108½	523½@518½	40½@40½	78 @78½	86 @86½	71 @71½
Mth.....	108 @109½	523½@515	40½@41	78 @79½	86 @86½	71 @71½

JOURNAL OF BANKING, CURRENCY, AND FIANCNE.

Boston Bank Dividends—New York City Banks—Philadelphia Banks.

We gave last month the dividends of the New York banks, showing their profits for a series of years. Below will be found a statement of the Boston banks, their dividends for 1864 and 1865, and the highest and lowest and lowest prices of the stock of each for the same years, which we have prepared from the circular of Joseph G. Martin :

BANKS.	Capital, Janu'y, 1866.	Dividends.				Price.	
		1864.		1865.		1864.	1865.
		April.	Oct'r.	April.	Oct'r.	Highest and lowest.	Highest and lowest.
Atlantic National.....	\$750,000	8	4	4	5	94-110	97½-111
Atlas National.....	1,000,000	4	4	10	5	99½-121½	97-120
Blackstone National.....	1	10	5	5	5	103½-120	105-117
Boston National.....	1	10	8	4	4	90-102	96½-102
(Old) Boston National, par 60.....	1	10	4	4	4	65-94½	60-65
Boylston National.....	1	10	5	5	5	113-125	117½-129
Broadway National.....	1	10	4	4	5	94-104	94-108
City (National).....	1	10	4	4	4	102-123	98½-108½
Columbian National.....	1	10	3½	3½	15	104-121	105-140
Commerce (Nat. Bank of).....	2	10	4	5	5	100-117½	105-116
Continental National.....	1	10	4	5	5	97½-105	101-106
Eagle (National).....	1	10	4	4	9†	109-125	110-128½
Eliot National.....	1	10	4	4½	5	98½-109	103½-112
Exchange (National).....	1	10	5	5	5	118-150	125½-134
Faneuil Hall National.....	1	10	5	5	5	120-140	115-160
First National.....	1	10	5	5	5	102-125	120-135
Freeman's National.....	1	10	4	4	25	97½-115	104-120
Globe National.....	1	10	4	4	12	128-141	118½-135
Hamilton National.....	1	10	8	5	7	127-156½	112½-174
Hide and Leather (Nat'l).....	1	10	4	5	5	105-115½	116½-130
Howard National.....	1	10	4	4	5	94½-112½	93½-112
Market National.....	1	10	4	20	4	\$72-108½	98½-106
Massachusetts Nat'l...p. 250.....	1	10	4	4	5	105-135	107-160
Maverick National.....	1	10	3½	3½	5	90-105½	92½-107
Mechanics' National.....	1	10	4	4	5	108-114	100-124
Merchants' National.....	3	10	3½	4	5	99½-114½	102-118½
Mount Vernon National.....	1	10	4	4½	10	97-110	101½-116
New England National.....	1	10	4	5	5	112-125	110-125
North National.....	1	10	8	4	5	96½-114½	96½-105
North America (Nat. B'k of).....	1	10	3½	3½	25‡	97-110	95-125
Pawners' (div. July & Jan.).....	1	10	3	4½	4	85-104½	94½-109½
Republic (Nat. B'k of the).....	1	10	3½	4	5	98½-103½	102½-115
Revere (National).....	1	10	4	4	10	104½-118	115-130
Second National.....	1	10	4	5	7½	112½-130½	124-140½
Shawmut National.....	1	10	4	4	5	96-105½	99-107
Shoe and Leather National.....	1	10	5	5	5	129-156½	123½-150
State National§.....	2,000,000	3½	13½	4	4	83-90	87-108
Suffolk National.....	1,500,000	5	5	0	5	114-242	112-223
Third National.....	800,000	new	8	4	4	95-101½	97-109
Traders' National.....	600,000	8	8	3½	3½	90½-108	98½-105
Tremont National.....	2,000,000	4	4½	4	5	114½-148	105-146
Union (National).....	1,000,000	10	4	4	10	112½-140	110-140
Washington National.....	750,000	4	4	5	5	100-125½	107-125
Webster (National).....	1,500,000	4	4	5	5	100-115	102-115

A large number of these banks (now all National) have paid extra dividends the past two years (on re-organization under the United States law,) which we give in detail below :

Atlas, 10 per cent, regular and extra, April, 1865.
 Blackstone, 20 per cent, in stock, December, 1864.
 Boston, 20 per cent, December, 1864, and 20 per cent, regular and extra, Oct. 2, 1865.
 Boylston, 25 per cent, in stock, April 1, 1865.
 Broadway, 12 per cent, in stock, December, 1864.
 City, 10 per cent, in gold (selling at 225), Dec. 12, 1864.
 Columbian, 15 per cent, regular and extra, Oct. 2, 1865.
 Eagle, 9 per cent, regular and extra, Oct. 2, 1865.
 Exchange, 20 per cent, Jan. 2, 1865.
 Faneuil Hall, 50 per cent, April 1, 1865.
 Freeman's, 25 per cent, regular and extra, Oct. 2, 1865.
 Globe, 20 per cent, April 1, and 12 per cent, Oct. 2, 1865, regular and extra.
 Hamilton, 8 per cent, regular and extra, April 1, 1864, and 60 per cent, March 1, 1865.
 Hide and Leather, 5 per cent, Jan. 10, 1865.
 Howard, 12½ per cent, in stock, March 1, 1865.
 Market, \$20 per share of \$70, in stock, and no cash dividend Oct. 1, 1864; then assessed \$10 per share, raising the par from \$70 to \$100.
 Massachusetts, 10 per cent, regular and extra, April 1, and 10 per cent April 29, 1865.

* Columbian, 8 per cent in gold, April, 1865. † Eagle, actual sale at auction, Sept. 22. ‡ North America, 25 per cent in stock; no cash dividend April, 1865. § State, par 100, since May; previously, 60. || Third National, for first ten months. Pawners' Bank, surplus over 8 per cent given to charity.

Mechanics', 20 per cent, April, 1865.
Mount Vernon, 10 per cent, regular and extra, April 1, 1865.
Mutual Redemption, 20 per cent, in stock, October, 1864.
New England, 25 per cent, Feb. 6, 1865.
North, 16 2-3 per cent, in stock, Nov. 21, 1864.
North America, 25 per cent, in stock, and no cash dividend April 1, 1865.
Revere, 10 per cent, regular and extra, April 1, 1865.
Second National, one new share to nine old, October, 1864.
Shawmut, 10 per cent, March 6, 1865.
Shoe and Leather, 25 per cent, March 1, 1865.
State, \$3 per share, regular and extra, October, 1864. \$6 2-3, in stock, May, 1865; and par raised from \$60 to \$100, giving two new for three old shares.
Suffolk, 128 per cent, Jan. 10, 1865.
Tremont, 33 1/2 per cent, in stock, Feb. 1, 1865.
Union, 6 per cent, April 1, 1864, and 10, regular and extra, Oct. 2, 1865.
Webster, 8 per cent, regular and extra, April 1, 1865.

The Bank Statement for this city the last week of the month shows a heavy loss of specie, which is due to the large withdrawals for the payment of customs duties. The several items compare as follows with the returns of the previous weeks of the month :

NEW YORK CITY BANK RETURNS.						
Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866..	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$370,617,523
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	528,949,311
" 27..	240,407,826	13,106,759	20,965,883	195,012,451	70,319,146	516,323,672

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.					
Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,369	\$35,842,306
" 8.....	17,236,320	46,774,150	983,685	7,319,528	36,618,104
" 15.....	17,267,412	47,850,428	1,007,186	7,367,972	36,947,700
" 22	17,052,559	47,254,622	1,012,980	7,411,837	36,214,653
" 29.....	16,244,277	47,607,558	1,008,825	7,432,535	35,460,881

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.				
Denominations.	November 30.	Jan. 1, 1866.	Feb. 1, 1866.	
6 per cent, due December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250	
6 do July 1, 1868.....	8,908,332	8,908,342	8,908,341	
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000	
5 do January 1, 1871.....	7,022,000	7,022,000	7,022,000	
6 do December 31, 1880.....	18,415,000	18,415,000	18,415,000	
6 do June 30, 1881.....	50,000,000	50,000,000	50,000,000	
6 do June 30, 1861, exch'd for 7.30s	139,252,450	139,331,000	139,233,250	
6 do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500	
6 do November 1, 1869-84 (5.20 years)	1,000,000,000	100,000,000	100,000,000	
6 do November 1, 1870-85 (5.20 years)	50,590,300	50,590,300	50,590,300	
5 do March 1, 1874-1904 (10.40s) ...	172,770,100	172,770,100	172,769,100	
6 do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000	
6 do June 30, 1881.....	75,000,000	75,000,000	75,000,000	
Aggregate of debt bearing coin interest.....	\$1,167,169,942	\$1,167,148,292	\$1,161,149,742	

DEBT BEARING INTEREST IN LAWFUL MONEY.			
4 per cent Temporary Loan { 10 days' }	\$612,228 }		
5 do do { notice. }	21,644,710 }	97,257,195	\$118,755,840
6 do do { }	67,266,168 }		
6 do Certificates (one year).....	55,921,000	60,667,000	60,637,000
5 do One and two-years' notes.....	82,536,901	8,536,900	8,536,900
6 do Three years' comp. interest notes...	167,012,141	18,012,141	180,012,141
6 do Thirty-year bonds, (cent'l Pacific R.)	1,898,000	2,362,000	2,362,000
6 do do (Union Pacific R. E. Div.)	640,000	640,000	992,000
7.30 do Three years' treasury notes, 1st series	300,000,000	300,000,000	300,000,000
7.30 do do do 2d series	300,000,000	300,000,000	300,000,000
7.30 do do do 3d series	230,000,000	230,000,000	230,000,000
Aggregate of debt bearing lawful money int...	\$1,177,531,149	\$1,179,475,236	\$1,197,295,881

DEBT ON WHICH INTEREST HAS CEASED.

7.80 per cent Three years' notes.....	\$260,500	\$240,000	\$233,500
do Texas indemnity bonds.....	726,000	726,000	665,000
Other bonds and notes.....	200,980	200,880	200,530
Aggregate of debt on which int. has ceased...	\$1,187,480	\$1,166,880	\$1,099,330

DEBT BEARING NO INTEREST.

United States Notes.....	\$392,581,194	\$426,231,390	\$400,000,000
do do (in redemp. of the temp loan)	28,160,202		
Fractional currency.....	26,108,197		
Currency.....	\$452,850,264	\$452,231,810	\$450,455,467
Gold certificates of deposit.....	7,200,440	7,288,140	8,391,080
Uncalled for pay requisitions.....	509,281	1,220,006	.....
Aggregate of debt bearing no interest.....	\$460,556,264	\$459,519,950	\$458,846,547
Amount in Treasury—			
Coin.....	47,224,379	45,735,551	51,443,163
Currency.....	44,587,141	44,993,271	56,050,186
Total in Treasury.....	\$91,811,520	\$90,728,822	\$107,493,348

RECAPITULATION.

Debt bearing interest in coin.....	\$1,167,169,942	\$1,167,148,292	\$1,167,149,742
Debt bearing interest in lawful money.....	1,177,531,149	1,179,475,280	1,197,235,881
Debt on which interest has ceased.....	1,187,480	1,166,880	1,373,920
Debt bearing no interest (currency).....	460,047,088	459,519,950	458,846,547
Uncalled for requisitions.....	509,281	.....	.....
Aggregate debts of all kinds.....	\$2,806,444,825	\$2,807,810,358	\$2,824,391,500
Cash in treasury.....	91,811,520	90,728,822	107,493,348

ANNUAL INTEREST PAYABLE ON DEBT.

Payable in gold.....	\$68,032,275	\$68,030,976	.....
Payable in lawful money.....	70,864,680	70,186,131	.....
Aggregate amount of int. payable annually— not including int. on the 8 years' comp. int. notes, which is payable only at maturity....	\$138,896,955	\$138,217,107	.....

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes.....	\$32,536,901	\$8,536,900	\$8,536,900
United States notes (currency).....	426,741,396	426,231,390	423,902,223
Three years' 6 per cent compound int. notes..	167,012,141	180,012,141	180,012,141
Aggregate legal tender notes in circulation....	\$626,290,438	\$644,780,431	\$612,451,264

INSURANCE DIVIDENDS.

THE following average dividends have been paid by New York Fire Insurance Companies for the last five years:

Year ending Dec. 31.	No. of Companies.	Total capital Dec. 31.	Per centage of Dividends.	Amount of Dividends.
1860	96	\$20,482,860	12.054	\$2,469,090 05
1862	95	20,262,860	10.461	2,121,788 76
1862	96	20,482,860	10.008	2,048,898 01
1863	101	28,682,860	8.567	2,024,742 51
1864	107	28,807,070	8.621	2,468,370 94

The dividends paid in 1864 only about equal the dividends of 1860, although the amount of capital has increased over \$8,000,000. The general impression prevailing, that fire insurance stocks ordinarily pay excessive dividends, is thus shown by the above table to be a popular delusion. Whenever heavy dividends are paid, the foundations for such payment must be laid on many years of experience and accumulation guided by superior qualifications and acquirements in the officers, managers, and agents.

TREASURE MOVEMENT AT NEW YORK FOR THE LAST SEVEN YEARS.

Statement of the movement of treasure at New York, showing the amounts received from California, foreign ports, and the interior, and the amounts shipped to foreign ports and the interior monthly and yearly for the seven years ending December 31, 1865; also the amount in banks and the Sub-Treasury at the commencement and close of each month and year—the whole forming a complete history of the movement of treasure at this port for the period stated.

1865.

Months, etc.	Treas. in banks and Sub-T. treasury on 1st of month.	Received from California.	Accessions of treasure during month, etc.— Imported from foreign ports.	From in-land sources & hoards.	Aggregate acco-sions.	Total supply of treas. for month, etc.	Treasure withdrawn from market.— Exported to foreign ports.	Returned in-land and to hoards.	Aggregate withdrawn.	Treas. in banks and Sub-T. treasury on last of month.
January,	\$30,054,450	\$2,043,457	\$52,263	\$1,376,923	\$3,472,653	\$32,527,103	\$2,184,853	.....	\$3,184,853	\$30,342,250
February,	30,342,250	914,735	106,704	4,181,853	5,303,292	35,545,542	1,023,201	.....	1,023,201	34,522,341
March,	34,522,341	1,663,975	243,943	799,850	2,711,567	37,233,908	381,913	.....	381,913	35,851,995
April,	35,851,995	2,307,025	266,492	1,572,894	3,916,341	40,768,386	871,249	.....	871,249	36,597,087
May,	36,597,087	1,257,651	177,035	8,892,448	10,337,184	50,224,271	7,255,071	.....	7,255,071	42,979,200
June,	42,969,200	750,469	249,753	5,339,173	6,339,573	49,295,573	5,199,473	.....	5,199,473	44,091,101
July,	44,099,101	1,092,805	253,640	4,710,940	6,057,385	50,156,486	723,986	.....	723,986	49,432,500
August,	49,432,500	1,676,177	182,072	2,663,542	4,526,791	53,959,291	1,554,398	.....	1,554,398	52,404,598
September,	52,404,598	2,040,446	194,224	.....	2,234,670	54,639,523	2,494,973	5,543,616	8,043,589	46,595,974
October,	46,595,974	2,481,033	77,943	.....	2,559,030	49,155,004	2,516,228	2,072,285	4,583,511	44,561,493
November,	44,566,493	1,952,675	236,526	5,965,523	8,174,724	52,741,217	2,046,180	.....	2,046,180	50,695,037
December,	50,695,037	3,846,283	127,034	2,214,731	5,698,068	56,383,135	2,752,161	.....	2,752,161	53,630,974
Year 1865.....	30,054,450	21,531,738	2,137,011	37,532,311	61,301,108	91,255,558	30,003,683	7,630,901	37,634,584	53,630,974

1864.

Months, etc.	Treas. in banks and Sub-T. treasury on 1st of month.	Received from California.	Imported from foreign ports.	From in-land sources & hoards.	Aggregate acco-sions.	Total supply of treas. for month, etc.	Treasure withdrawn from market.— Exported to foreign ports.	Returned in-land and to hoards.	Aggregate withdrawn.	Treas. in banks and Sub-T. treasury on last of month.
January,	\$37,992,534	\$989,201	\$141,790	\$6,343,554	\$7,429,545	\$45,422,079	\$5,459,079	.....	\$5,459,079	\$39,963,000
February,	39,963,000	1,250,069	88,150	4,825,148	6,163,367	46,126,367	3,015,367	.....	3,015,367	43,111,000
March,	43,111,000	1,121,338	104,437	4,634,627	5,850,402	48,961,402	1,800,559	.....	1,800,559	47,160,843
April,	47,164,843	854,942	235,814	.....	1,140,056	48,300,899	5,883,077	1,392,663	7,275,679	41,025,220
May,	41,025,220	933,770	630,092	406,173	2,000,065	43,025,255	6,460,930	.....	6,460,930	35,564,325
June,	35,564,325	723,951	146,731	.....	870,682	37,435,007	5,170,551	1,306,906	6,377,457	31,057,550
July,	31,057,550	711,645	123,052	3,810,690	4,150,387	35,207,937	3,309,887	.....	3,309,887	31,898,050
August,	31,898,050	1,241,155	245,653	822,750	2,309,763	34,207,813	1,001,014	.....	1,001,014	33,206,799
September,	33,206,799	1,039,159	58,220	324,834	1,572,213	34,779,012	2,835,398	.....	2,835,398	31,943,614
October,	31,943,614	955,373	129,775	3,522,321	4,507,474	36,451,083	2,496,221	.....	2,496,221	33,954,867
November,	33,954,867	832,276	161,627	1,229,160	2,273,063	36,227,930	7,267,662	.....	7,267,662	28,960,268
December,	28,960,268	2,205,679	114,976	4,876,964	7,197,559	36,157,827	6,103,377	.....	6,103,377	30,054,450
Year 1864.....	37,992,534	12,907,803	2,265,532	30,291,221	45,464,546	83,457,080	50,803,122	2,599,503	53,402,620	30,054,450

Treasure Movement at New York.

[February,

1863.									
Treas. in banks and Sub-Treasury on 1st of month.	Accessions of treasure during month, etc.—				Total sup- ply of treas. for month, etc.	Treasure withdrawn from market—			Treas. in banks and Sub-Treasury on last of month.
Months, etc.	Received from California.	Imported from foreign ports.	From inland sources & hoards.	Aggregate accessions.		Exported to foreign ports.	Returned inland and to hoards.	Aggregate withdrawn.	
January.....	\$2,337,683	\$101,906	\$1,609,832	\$4,048,370	\$45,019,860	\$4,624,574	.....	\$4,624,574	\$40,394,786
February.....	951,823	213,971	2,455,505	4,621,299	45,016,085	3,965,664	.....	3,965,664	41,050,421
March.....	1,097,176	123,616	1,052,999	2,873,791	43,924,212	6,585,442	.....	6,585,442	37,338,770
April.....	724,984	107,061	2,267,868	3,099,878	40,438,146	1,972,884	.....	1,972,884	38,465,314
May.....	776,122	197,217	2,837,478	3,810,817	42,276,181	2,115,679	.....	2,115,679	40,160,453
June.....	809,176	109,997	2,929,294	3,848,397	44,008,859	1,367,774	.....	1,367,774	42,641,085
July.....	726,027	182,245	1,363,751	2,972,023	44,913,108	5,268,881	.....	5,268,881	39,644,227
August.....	831,113	113,877	888,063	1,833,053	41,477,280	3,465,261	.....	3,465,261	38,022,019
September.....	750,259	78,231	3,736,333	4,614,823	42,628,843	3,430,385	.....	3,430,385	39,146,457
October.....	1,032,899	78,053	4,322,998	5,433,950	44,530,407	6,210,156	.....	6,210,156	38,370,251
November.....	713,021	103,144	3,099,137	3,915,392	42,265,533	5,433,363	.....	5,433,363	36,847,190
December.....	857,688	118,961	5,427,748	6,404,397	43,261,587	5,269,053	.....	5,269,053	37,992,534
Year 1863.....	12,207,320	1,523,279	33,040,001	47,776,600	57,746,590	49,754,056	.....	49,754,056	37,992,534
1862.									
January.....	\$2,199,533	\$163,633	\$921,794	\$3,284,960	\$32,314,945	\$2,658,274	.....	\$2,658,274	\$29,656,711
February.....	2,250,795	62,007	3,142,406	5,455,208	35,111,919	3,776,919	.....	3,776,919	34,335,000
March.....	1,846,752	88,327	3,554,154	5,489,233	36,324,233	2,471,233	.....	2,471,233	34,853,000
April.....	1,834,117	26,152	3,553,406	5,413,675	39,766,675	4,087,675	.....	4,087,675	35,729,000
May.....	1,939,771	110,388	5,781,477	7,831,636	42,560,686	5,164,636	.....	5,164,636	36,564,000
June.....	1,911,099	61,023	6,362,492	8,334,614	46,780,614	9,867,614	.....	9,867,614	36,696,000
July.....	1,961,468	219,001	6,781,868	8,962,337	45,825,337	8,077,837	.....	8,077,837	37,763,000
August.....	2,070,193	92,708	1,619,431	3,782,533	41,540,533	3,713,533	.....	3,713,533	37,827,000
September.....	2,641,919	121,318	3,876,683	6,639,919	44,466,919	3,085,919	.....	3,085,919	41,381,000
October.....	2,387,293	256,676	3,532,545	6,126,519	47,507,519	6,707,519	.....	6,707,519	40,800,000
November.....	2,651,211	109,703	1,805,332	4,566,251	45,366,251	6,213,251	.....	6,213,251	39,153,000
December.....	1,435,637	78,316	3,976,169	5,490,112	44,643,112	3,673,112	.....	3,673,112	40,971,000
Year 1862.....	25,079,787	1,890,277	43,907,957	71,878,021	100,408,021	59,437,021	.....	59,437,021	40,971,000
1861.									
January.....	\$4,185,105	\$7,269,239	.....	\$11,447,334	\$41,547,334	\$58,894	\$1,488,440	\$1,542,334	\$40,000,000
February.....	3,622,896	2,274,037	.....	5,896,930	45,891,930	1,102,926	94,034	1,196,960	44,700,000
March.....	2,370,897	5,546,406	.....	7,917,303	52,617,303	301,802	15,501	317,306	52,300,000
April.....	2,951,253	1,953,001	.....	4,904,254	57,504,254	1,412,674	3,391,580	4,804,254	52,400,000
May.....	1,977,827	3,488,812	.....	5,464,639	57,894,639	1,98,900	185,739	364,639	57,610,000
June.....	2,012,052	5,387,153	.....	7,399,215	64,099,215	344,252	9,054,973	9,399,215	55,700,000
July.....	2,055,263	6,996,428	.....	9,051,696	65,151,696	11,020	3,240,646	3,251,696	61,900,000
August.....	4,215,755	1,049,552	.....	5,265,307	67,195,307	3,000	8,891,707	8,896,307	58,300,000
September.....	2,815,243	1,231,012	.....	4,046,255	62,346,255	15,756	8,530,499	8,546,255	53,800,000
October.....	2,980,515	686,824	.....	3,667,339	57,260,143	15,033	6,305,105	6,320,143	53,900,000

November.....	51,100,000	2,584,843	908,825	3,493,167	54,593,167	48,885	744,783	708,167	53,600,000
December.....	53,600,000	2,084,989	858,630	3,042,919	56,843,919	803,013	26,919,906	27,812,919	59,030,000
Year 1861.....	30,100,000	34,668,949	57,038,418	71,574,363	101,674,363	4,286,250	68,408,113	73,644,363	99,080,000
1860.									
January.....	29,590,000	32,643,844	828,050	3,871,894	30,461,894	853,563	308,383	31,161,894	32,800,000
February.....	29,800,000	3,252,708	185,175	3,447,883	32,747,883	977,009	870,874	1,847,883	31,400,000
March.....	31,400,000	2,404,550	85,094	2,981,663	33,881,663	2,381,663	.....	2,981,663	31,000,000
April.....	31,000,000	2,601,548	49,136	2,630,784	33,630,784	2,965,500	155,224	3,120,784	30,530,000
May.....	30,530,000	2,702,094	96,000	5,429,986	35,959,986	5,559,986	.....	5,559,986	30,400,000
June.....	30,400,000	2,927,232	88,273	5,942,080	36,342,080	8,842,080	.....	8,842,080	27,500,000
July.....	27,500,000	2,218,174	64,351	6,063,985	33,563,985	6,563,985	.....	6,563,985	27,000,000
August.....	27,000,000	2,790,893	140,750	2,954,815	29,954,815	7,454,815	.....	7,454,815	22,500,000
September.....	22,500,000	2,928,881	255,695	5,658,784	28,158,784	3,758,784	.....	3,758,784	24,400,000
October.....	24,400,000	2,678,866	1,083,883	4,608,395	29,006,395	2,106,395	.....	2,106,395	26,910,000
November.....	26,900,000	3,240,630	446,798	3,637,428	30,587,428	525,091	9,062,337	9,587,428	21,000,000
December.....	21,000,000	4,130,851	6,174,041	10,304,893	31,804,893	202,401	1,002,491	1,204,893	30,100,000
Year 1860.....	26,590,000	34,580,271	8,852,330	56,595,459	83,185,459	42,191,171	10,894,268	53,085,459	30,100,000
1859.									
January.....	32,233,000	32,587,013	971,308	32,658,331	34,891,331	32,805,688	3265,633	32,571,331	32,330,000
February.....	32,330,000	2,607,890	92,300	4,911,427	37,231,427	2,871,427	.....	2,871,427	34,860,000
March.....	34,860,000	1,965,414	81,666	2,103,677	36,963,677	3,843,677	.....	3,343,677	33,620,000
April.....	33,620,000	3,127,563	372,441	6,089,167	39,659,167	6,259,167	.....	6,259,167	33,400,000
May.....	33,400,000	3,418,784	122,436	10,891,032	44,291,032	11,421,032	.....	11,421,032	32,870,000
June.....	32,870,000	3,555,215	485,892	4,041,107	36,911,107	7,496,981	504,126	8,001,107	28,910,000
July.....	28,910,000	3,381,861	175,139	9,371,019	38,281,019	10,051,019	.....	10,051,019	28,230,000
August.....	28,230,000	3,988,606	348,419	4,335,025	32,565,025	6,409,783	355,943	6,765,025	25,700,000
September.....	25,800,000	4,088,369	184,553	8,797,681	34,597,681	8,267,681	.....	8,267,681	26,330,000
October.....	26,330,000	3,803,894	630,646	4,486,540	30,766,540	5,344,159	1,113,831	6,456,540	24,310,300
November.....	24,310,000	3,289,449	167,087	6,193,123	30,503,123	4,383,123	.....	4,383,123	26,120,000
December.....	26,120,000	3,277,663	184,634	3,462,297	29,582,297	2,062,129	980,168	2,992,297	26,590,000
Year 1859.....	32,233,000	39,592,720	2,816,421	67,940,416	99,473,416	69,715,866	3,167,550	73,883,416	26,590,000

Recapitulation.

1865.....	30,064,450	321,531,736	12,187,011	37,532,311	91,253,538	30,003,633	67,620,901	37,624,584	53,630,974
1864.....	37,992,534	12,907,803	2,265,522	30,291,221	83,457,080	50,803,123	2,598,508	53,402,630	30,064,450
1863.....	40,971,000	12,207,820	1,528,279	33,040,001	87,746,590	49,764,656	.....	49,764,056	37,992,534
1862.....	29,030,000	25,079,787	1,390,277	43,907,957	100,408,021	59,437,021	.....	59,437,021	40,971,000
1861.....	30,100,000	34,485,949	37,088,413	71,574,363	101,674,363	4,236,250	68,408,113	72,644,363	29,030,000
1860.....	26,590,000	34,530,271	8,852,330	56,595,459	83,185,457	42,191,171	10,894,266	53,085,459	30,100,000
1859.....	32,233,000	39,592,720	2,816,421	67,240,416	99,473,416	69,715,866	3,167,550	72,883,416	26,590,000
Six years, 1860-65. . .	32,233,000	180,385,636	56,078,253	182,765,636	453,463,503	306,141,169	22,690,357	268,831,596	53,630,974

MANUFACTURES IN UNITED STATES DURING YEAR ENDING JUNE 1, 1860.

AGGREGATE STATISTICS OF MANUFACTURES.

We take from the *Tribune* the following valuable table of the aggregate manufactures produced in the United States during the year ending June 1, 1860. It was prepared by Edward Young, of Philadelphia, who had charge of the statistics of manufactures in the United States Census Office, until it was turned over to the Land Office :

States and Territories.	No. of establis- ments.	Capital invested.	Cost of raw material.	Average No. of hands employed.		Annual cost of labor.	Annual Value of Product.		Per cent increas.	Value of annual product per capita
				Males.	Females.		In 1860.	In 1850.		
Maine.....	3,810	\$22,044,020	\$21,553,086	21,827	9,724	\$8,368,691	\$38,193,254	\$24,661,057	54.4	\$60.78
New Hampshire.....	2,502	23,274,094	20,539,857	18,379	13,961	8,110,561	37,596,453	23,164,503	62.2	115.27
Vermont.....	1,883	9,498,617	7,002,858	8,563	1,934	3,004,986	14,637,807	8,570,920	70.8	46.45
Massachusetts.....	8,176	132,732,337	135,053,721	146,268	71,153	56,960,913	255,545,923	157,743,994	62.	207.58
Rhode Island.....	1,191	24,273,205	19,833,515	20,795	11,695	8,760,125	40,711,296	22,117,633	84.	233.14
Connecticut.....	3,019	45,590,439	40,949,090	44,003	20,467	19,026,196	81,924,553	47,114,535	73.8	178.04
Total in New England States ..	20,671	257,477,783	245,533,107	263,894	129,003	104,231,473	463,599,397	263,373,747	65.36	149.46
New York.....	22,694	173,895,633	214,813,061	177,885	53,227	65,446,759	379,170,939	257,597,249	59.45	97.61
New Jersey.....	4,173	40,521,043	41,429,100	43,193	12,829	16,277,337	76,306,104	39,651,256	91.4	113.54
Pennsylvania.....	22,263	190,055,904	153,477,693	132,593	39,539	60,369,165	300,121,133	155,044,910	87.1	99.83
Delaware.....	615	5,452,887	6,022,913	5,465	956	1,905,754	9,392,902	4,649,296	117.78	89.59
Maryland.....	3,083	23,230,603	25,494,007	21,630	6,773	7,190,673	41,735,157	33,043,892	26.3	60.74
District of Columbia.....	429	2,905,865	2,834,135	2,653	495	1,139,154	5,412,102	2,690,253	101.	73.08
Total in Middle States.....	53,237	425,061,964	444,126,969	433,424	113,819	153,238,841	802,633,393	473,576,861	69.67	96.21
Ohio.....	11,123	57,225,303	69,800,270	65,749	9,853	22,202,969	121,691,148	62,692,279	94.1	53.01
Indiana.....	5,323	18,451,121	27,142,597	20,563	733	6,313,335	42,803,469	18,725,423	126.5	31.69
Michigan.....	3,443	23,803,226	17,635,611	22,144	1,046	6,726,047	32,658,256	11,169,002	192.4	43.59
Illinois.....	4,263	27,543,563	25,552,733	22,489	479	7,667,921	57,560,686	16,534,273	243.3	23.63
Wisconsin.....	3,064	15,831,551	17,137,394	14,641	773	4,263,703	27,849,467	9,233,063	199.9	25.89
Minnesota.....	563	2,333,310	1,904,070	2,104	19	712,314	2,373,173	58,300	56.86	19.69
Iowa.....	1,969	7,247,130	8,612,259	6,143	165	1,222,417	13,971,225	3,551,733	203.3	20.70
Missouri.....	2,157	20,034,220	23,849,941	13,623	1,053	6,639,916	41,732,751	24,024,418	71.3	25.35
Kentucky.....	2,450	20,254,579	22,295,759	19,567	1,671	6,020,053	37,931,240	21,710,212	74.7	33.83
Kansas.....	244	1,024,235	1,444,975	1,700	25	630,346	4,237,403	.....	.....	30.79
Nebraska Territory.....	107	266,675	237,215	384	2	105,333	607,393	.....	.....	21.01
Total in Western States.....	26,765	194,212,543	225,613,913	194,061	15,393	63,573,397	334,603,599	163,033,757	123.5	27.52

Virginia.....	5,575	28,083,560	30,940,531	33,603	5,544,117	20,552,124	25,002,607	71.1	53 63
North Carolina.....	2,699	9,923,703	10,232,923	2,112	2,639,441	10,673,693	2,111,050	53.	16 80
South Carolina.....	1,260	6,931,766	5,198,881	898	1,240,097	8,615,195	7,045,477	23.	12 24
Georgia.....	1,820	10,320,275	9,966,523	2,033	2,925,145	10,925,554	7,053,075	139.	16 09
Florida.....	185	1,874,125	874,505	2,297	619,840	2,447,969	608,886	206.	17 43
Alabama.....	1,459	9,098,181	5,459,963	6,793	2,122,940	10,538,566	4,528,876	133.8	10 93
Louisiana.....	1,744	7,151,173	6,788,436	7,873	3,633,679	15,537,473	6,779,417	130.	23 01
Texas.....	963	3,272,450	3,257,872	2,333	1,162,756	6,577,202	1,163,539	462.	10 83
Mississippi.....	976	4,331,492	3,145,636	4,572	1,618,330	6,530,637	2,912,069	126.	8 55
Arkansas.....	513	1,316,610	1,290,503	1,331	554,240	2,830,579	537,903	425.	6 61
Tennessee.....	2,573	14,424,261	9,416,514	11,632	3,370,037	17,937,329	9,725,603	54.9	16 20
Total in Southern States	26,631	\$95,974,533	26,543,153	23,123	23,051,195	155,531,261	79,161,866	96.47	17 03
California.....	2,463	22,043,096	27,051,474	42,109	23,402,267	63,253,223	12,862,522	420.	179 90
Oregon.....	309	1,337,233	1,431,953	963	635,256	2,976,761	2,236,640	32.	53 73
Utah Territory.....	143	443,356	439,513	330	231,701	900,153	291,220	204.9	22 25
Washington Territory.....	53	1,326,209	502,021	866	453,601	1,403,921	343,010	405.	121 35
New Mexico Territory.....	33	2,003,330	337,892	1,044	341,306	1,349,123	15,039,323	376.	13 35
Total in Pacific States & Ter'ies..	2,959	27,123,240	29,793,051	52,437	20,064,151	74,733,135	15,039,323	376.	129 42
Aggregate in United States in 1860..	140,433	1,009,853,715	1,031,605,023	1,041,349	379,173,966	1,835,861,678	\$1,019,103,616	55.5	\$59 97
Aggregate in United States in 1850..	122,025	533,245,251	555,123,833	731,137	296,755,464	1,019,103,616			
Increase.....	17,408	\$476,610,264	\$476,481,270	44,773	\$142,428,502	\$800,755,000			
Increase per cent.....		89.5	85.9			86.9			

Omitting the Southern or non-Manufacturing States the annual value of Manufactures per capita is \$77 45.

FEDERAL, STATE, AND MUNICIPAL FINANCES.

THE BANKS OF NEW YORK.—ANNUAL REPORT OF THE SUPERINTENDENT OF THE BANKING DEPARTMENT.

Mr. Keyes, Acting Superintendent of the Banking Department of this State has submitted his report to the Legislature, from which we extract the following :

BANK DEPARTMENT,
ALBANY, December 28, 1865. }

To the honorable the Legislature of the State of New York :

The passage of the act of March 9, 1865, commonly known as the enabling act, precipitated what, under existing conditions, could not long be delayed, the fourth, and, to appearance, the concluding era in the history of State banking in New York.

Since its passage one hundred and seventy-three banks have closed business as State institutions, and been received into the national fold, and though some of these had already taken steps in that direction, the passage of the act greatly facilitated their transfer. Besides these twenty banks had received authority, and were doing business under the national system prior to the passage of the act, and of these, ten had effected the change prior to October 1, 1864. The last fiscal year, therefore, has witnessed the practical extinction of one hundred and eighty-three State banks, with all their wealth and influence, to the national guardianship.

Some time must necessarily elapse before we shall see the end of what is now the beginning, as under the operation of our present law it requires six years to close the circulation account of any bank, even after, by the return of seventy-five per cent of its circulation, it is authorized to withdraw its bonded securities, and make a deposit of cash for the redemption of the remainder of its notes. It is evident, therefore, that the final closing of the affairs of over three hundred banks, is a labor that cannot be speedily accomplished.

To facilitate this, however, I would suggest an amendment of section 1, chapter 286 of the laws of 1859, which requires the return of seventy-five per cent of the circulation outstanding at the time of giving notice of closing, before a cash deposit can be made for the redemption of the balance and the statute of limitations be set in operation. The time at which the amount of outstanding circulation is computed is purely arbitrary, and operates greatly to the disadvantage of banks that may have retired a large part of their circulation before giving the notice required. A further proviso, that the cash deposit might be made whenever the outstanding circulation should be reduced to \$10,000, would facilitate the closing of a number of banks, and be in no respect prejudicial to public interests. Or the result might be reached by causing the circulation, of which seventy-five per cent must be returned, to be estimated at the time of greatest issue, as ascertained from the quarterly statements made by the bank.

The sweeping character of the silent revolution which has been progressing in our financial system, will be more fully disclosed by an examination of the general statement, pp. 3 and 4 of the appendix, and of tables 7 and 11.

For more convenient reference, I condense from them the following brief summary :

The capital invested in banking, under our State laws, on the 30th day of September, 1864, was.....	\$107,306,949
On the 30th day of September, 1865.....	80,436,979
Decrease during the fiscal year.....	\$26,869,970
The greatest decrease in any previous year, during the last ten years.....	1,951,199
The circulation returned and destroyed during the year ending September 30th, 1865, was.....	16,728,179

which exceeds by about \$2,000,000 the amount returned during the panic year of 1857, and by about \$9,000,000 the average yearly amount for the last ten years.

The circulation issued and outstanding on the 30th September, 1864, was..... \$40,118,635
 The circulation issued and outstanding on the 30th September, 1865, was 27,009,449

Decrease during the fiscal year..... \$13,109,186
 Securities, including cash, held under general laws to redeem circulation, Sept.
 30, 1864..... \$37,303,524 05
 Securities held under general laws to redeem circulation, Sept. 30, 1865..... 25,409,157 44
 Decrease during the fiscal year..... \$11,894,366 61

The decrease of the different classes of securities has been as follows:

Of United States stocks..... \$8,528,600 00
 New York state stocks..... 2,225,706 00
 Illinois state stocks..... 233,411 00
 Bonds and mortgages..... 936,876 00

Increase of cash deposits to redeem circulation..... \$11,924,563 00
 9,215 80

Total decrease as stated above..... \$11,834,366 61

INCORPORATED BANKS.

On the 1st of January, 1866, will expire the limited charters of the remaining incorporated banks in this State. Four of these have already commenced doing business under the auspices of the national system.

The bank of the Manhattan Company and the bank of the New York Dry Dock Company, with unlimited charters, still survive the decay of the system that gave them birth, and of the systems that have sprung into being since.

THE BANK FUND.

Contributions to this fund will cease after January 1, 1866, and the charges upon it will be liquidated, so far as presented, on the first day of February following. There will then remain an estimated balance of about \$86,000, for the application of which there is no legal provision.

I quote from the last report of Hon. H. H. Van Dyck his remarks upon this subject as conveying the information necessary for your intelligent action:

"The fund thus accumulated was designed to secure the redemption of the notes of insolvent safety fund banks. But the over-issue of several insolvent institutions, and the failure of others, exhausted the contributions on hand, and mortgaged those of the future to such an extent that the fund ceased to be regarded as a means of redemption; and, consequently, the outstanding issues of the Lewis County Bank, Yates County Bank, and Bank of Orleans, have been left in the hands of the community, save so far as they have been absorbed by the receivers appointed to administer upon the effects of the defunct institutions. According to the latest returns, there would seem to be still outstanding, or in the hands of the receivers, \$163,043 of the notes of the aforesaid banks. As a considerable period has elapsed since their failure, very little of this circulation is still in first hands, and much of it has probably been destroyed in view of its regarded worthlessness. Whether the fund on hand shall be applied to the redemption of notes, and if so, in what order, or what disposition is to be made of it eventually, should be indicated either by legislative or judicial action. An adjustment of the question in some authoritative form seems in every way desirable."

I most earnestly renew the concluding suggestion, that some appropriate disposition of the balance of the fund be authorized.

* * * * *

TAXATION OF NATIONAL BANKS.

The object manifestly is, to make and to mark a distinction between the capital owned by the corporation and the remoter, though still very near interest of the shareholder in the business in which that capital is employed. This interest, represented by shares, is, by act of Congress, declared to be property. This is what the shareholder owns; it is subject to his control; he can dispose of it at will; in short, it is his property. The shareholder has no ownership whatever in the capital that is invested in the business of the corporation, more than a citizen of this State has in the Erie Canal. He has an interest in the proper management and control of that capital as the citizen has in the management of the canal. But he has no property in that capital, he cannot touch a dollar of it in whatever form expressed. Upon dissolution of the corporation he cannot claim a dividend in kind—he can get, after the demands of creditors are satisfied, only the proportion of assets represented by his shares, in lawful money. The stocks were not his; the real estate was not his; the notes or other forms of indebtedness were not his; the shares were his, and for them he will

now receive in exchange, lawful money, such as in the inception of the enterprise he gave for them. The individual owning shares is thus clearly distinguished from the corporation owning capital.

Under our system banking (as well as other) corporations are taxed upon their capital, and the shares in the hands of owners are not taxed. To have conformed to the provisions of the act of Congress, our State law should have been so amended as to direct the taxation of the shares in State banks in the hands of shareholders. But this was not done, and those shares remain to-day—what they have ever been—free from taxation. Having provided for taxing the shares in national associations, how shall we say that this is not at a higher rate than is imposed upon the shares in State banks, when no tax whatever is imposed upon the latter? Taxing the capital stock of State banks at the same rate with the shares in National banks will not relieve us, for the corporation that owns the capital stock may lawfully claim exemption upon so much as is invested in government stocks, while upon the shares in national associations there is no exemption.

I cannot regard the distinction between taxing the capital of banks and taxing the shares of stock in banks as one in form only. Our whole argument for taxing the shares in national banks rests upon the substantial character of this distinction. But if the distinction were of form only we should remember that where the sole authority for a proceeding is a provision of statute, and this provision prescribes the form of the proceeding, the matter of form becomes of essential importance.

I am aware that the highest judicial authority of our state has disregarded the incompatibility between our state law and the law of Congress upon this question. But I am far from sanguine that the United States court, by whom the question must be finally adjudicated, will view the question so complacently. In any event, it is so easy to remove this question from the arena of discussion, in courts or elsewhere, that I earnestly urge upon the legislature to amend the laws of this State relating to the taxation of banks organized under its authority, in such manner that the same shall be strictly and unquestionably conformable to the requirements of the act of Congress in the particular above mentioned. * * *

EMERSON W. KEYES,
Deputy and Acting Superintendent.

OHIO STATE DEBT.

The funded debt of Ohio shows a decrease of \$1,965,258 89 during the four years ending November 15, 1865. The amounts in 1861 and 1865 compare as follows :

FOREIGN DEBT.		
Loan of 1856, (interest ceased)	\$1,106 33	\$
Loan of 1860, 6 per cent	6,183,325 97	562,268 54
Loan of 1865, 5 per cent	1,025,000 00	1,000,500 00
Loan of 1870, 6 per cent	2,183,531 92	2,183,531 92
Loan of 1875, 6 per cent	1,600,000 00	1,600,000 00
Loan of 1881, 6 per cent .....	.....	4,025,309 47
Loan of 1886, 6 per cent	2,400,000 00	2,400,000 00
Loan of 1893, 6 per cent	379,866 00	379,866 00
Total foreign debt	\$12,787,869 52	\$12,230,475 96
DOMESTIC DEBT.		
Stock of 1849, (interest ceased)	\$1,705 00	\$ 1,705 00
National Road Bonds, (interest ceased)	60 28	60 28
Loan of 1863, 6 per cent	375,885 00	.....
Loan of 1845, 6 per cent	250 000 00	.....
Loan of (Union) of 1866, 6 per cent (int't ceased)	300,294 32	500 00
Loan of (Union) of 1868, 6 per cent	231,969 12	276,213 12
Loan of (Union) of 1871, 6 per cent .....	.....	400,000 00
Total domestic debt	\$1,109,383 81	\$681,538 40
Aggregate foreign and domestic debt	\$14,897,273 34	\$12,912,014 46

These figures present a highly satisfactory condition of affairs. Not only has the State furnished the means for its own defense during the late four years war, and sustained its credit by the prompt payment of interest on its indebtedness,

but it has actually redeemed nearly \$2,000,000 of the principal of the public debt, and the balance to credit of the sinking fund at the end of the last fiscal year was \$328,611 11, a sum nearly sufficient to pay all the interest that may accrue during the current year, without the aid of the actual income of the fund.

DEBT OF THE STATE OF ILLINOIS.

The Public Debt of the State of Illinois, on the 30th of December, 1865, was \$9,982,961 49, against \$11,121,564 45 on the corresponding date in 1864—a decrease within a year of \$1,138,602 96.

The following is a detailed statement of the debt due on the 30th December, 1865 :

Ill. and Mich. canal bonds, dated 1837 and 1839, due after 1860, unregistered.....	\$253,000 00
Ill. and Mich. canal bonds, dated 1837 and 1839, due after 1860, registered.....	525,000 00
Ill. and Mich. canal bonds, dated 1841 and 1839, due after 1870, unregistered.....	46,000 00
Ill. and Mich. canal bonds, dated 1841 and 1839, due after 1870, registered.....	60,000 00
Ill. and Mich. canal bonds, dated 1847 and 1839, due after 1860, unregistered.....	191,000 00
Ill. and Mich. canal bonds, dated 1847 and 1839, due after 1860, registered.....	254,400 00
Ill. and Mich. canal bonds, \$225 each, due after 1870, interest payable in New York registered.....	85,000 00
Ill. and Mich. canal bonds, \$225 each, due after 1870, interest payable in New York, registered.....	25,200 00
Ill. and Mich. canal bonds, \$225 each, due after 1870, interest payable in London, unregistered.....	669,000 00
Ill. and Mich. canal bonds, \$225 each, due after 1870, interest payable in London, registered.....	810,800 00
Ill. and Mich. canal bonds, \$300 each, due after 1870, interest payable in London, unregistered.....	60,000 00
Ill. and Mich. canal bonds, \$300 each, due after 1870, interest payable in London, registered.....	499,200 00
Ill. and Mich. canal bonds, \$100 each, due after 1870, interest payable in London, unregistered.....	12,888 89
Ill. and Mich. canal bonds, \$100 each, due after 1870, interest payable in London, registered.....	108,799 99
Ill. and Mich. canal bonds refunded under act of 16 Feb., 1865, due after 1860.....	22,000 00
Thornton loan bonds, due after 1879.....	176,000 00
Bank and Internal Improvement Bonds due after 1860.....	81,000 00
Internal Improvement Stock due after 1870.....	42,000 00
Liquidation Bonds due after 1865.....	198,872 00
New Internal Improvement Stock due after 1870.....	1,817,724 69
New Internal Improvement Interest Bonds due after 1877.....	1,186 676 97
Interest Stock of 1857, due after 1860.....	689,198 96
Refunded Stock dated July 1, 1859, due after 1860.....	1,000 00
Refunded Stock dated July 1, 1859, due after 1862.....	436,000 00
Refunded Stock dated July 1, 1859, due after 1865.....	81,000 00
Refunded Stock dated July 1, 1859, due after 1869.....	107,000 00
Refunded Stock dated July 1, 1859, due after 1870.....	405,000 00
Refunded Stock dated July 1, 1859, due after 1876.....	97,000 00
Refunded Stock dated July 1, 1859, due after 1877.....	545,000 00
Refunded Stock dated July, issued to Normal University after 1879.....	65,000 00
Illinois War Bonds dated July 1, 1861, due after 1879, \$1,000 each.....	621,000 00
Illinois War Bonds dated July 1, 1861, due after 1879, \$500 each.....	817,000 00
Illinois War Bonds dated July 1, 1861, due after 1879, \$100 each.....	219,700 00
Total.....	9,982,961 49
Same time in 1864.....	11,121,564 45
Same time in 1863.....	12,222,888 22

MICHIGAN STATE DEBT.

The State Treasurer in his report to the Legislature makes the following exhibit of the State's indebtedness :

	Interest.	Due	Amount.
Renewal Loan Bonds.....	6	Jan 1, 1878	\$216,000 00
Two million Loan Bonds.....	7	do 1868	250,000 00
do do.....	6	do 1873	500,000 00
do do.....	6	do 1876	500,000 00
do do.....	6	do 1883	750,000 00
St. Marie Canal Bonds.....	6	do 1873	100,000 00
War Loan Bonds.....	7	do 1886	1,122,000 00
War Bounty Loan Bonds.....	7	May 1, 1890	345,000 00
Total funded debt.....			\$3,788,000 00

Adjusted bonds, past due	\$4,000 00	
Full paid \$5,000,000 loan bonds, past due	12,000 00	
War loan bonds (\$100 and \$50) called in.....	400 00	
Unrecognized \$5,000,000 loan bonds, \$140,000 adjustable for.....	80,999 80	97,399 80
Total funded and fundable debt.....		\$2,880,399 80

TRUST FUND DEBT.

Primary school fund.....	\$1,144,239 50	
University fund.....	264,871 47	
Normal school fund.	39,204 28	
Railroad deposits.....	2,157 82	1,450,472 53
Total liabilities of State.....		\$5,330,872 33

PUBLIC DEBT OF MASSACHUSETTS.

The following, taken from a special circular issued by Dupee, Beck & Sayles; of Boston, gives a complete exhibit of the public debt and railroad loans of the State of Massachusetts, as it existed on the 30th of November, 1865 :

Date of Acts.	Principal payable.	Rate.	Interest Payable.	Amount outstanding
1856	1866	6	June & Dec.	\$100,000
1857.....	1868	6	April & Oct.	150,000
1861.....	1868	5	June & Dec.	15,000
1861.....	1868	6	"	75,000
1861.....	1870	5	Jan. & July.	150,000
1859.....	1870	5	June & Dec.	21,000
1861.....	1870	6	"	80,000
1861-2-4	1871	6	Jan. & July.	205,000
1852.....	1872	5	April & Oct.	100,000
1861.....	1872	5	June & Dec.	17,000
1861.....	1872	6	"	83,000
1861-2-4	1872	6	Jan. & July.	341,000
1853.....	1873	5	April & Oct.	125,000
1861-2-4	1873	6	Jan. & July.	204,000
1854.....	1874	5	April & Oct.	150,000
1854.....	1874	5	Jan. & July.	94,000
1861-2-4	1874	6	"	200,000
1861-2-4	1875	6	"	432,000
1861-2-4	1876	6	"	1,430,000
1857.....	1877	6	June & Dec.	50,000
1861-2-4	1877	6	Jan. & July.	400,000
1861-2-4	1878	6	"	200,000
1860-62.	1880	5	May & Nov.	220,000
1863-64.	1883	6	Jan. & July.	1,008,000
1863-4-59.....	1894	5	May & Nov.	6,422,000
Total (principal and interest payable in gold).....				\$12,556,000

	Payable.	Rate.	Amount.
Deposit Loan, Acts 1863, Resolves 1865.....	30 d. notice.	6	2,594,786
Temporary loan from banks, Acts 1863.....	var.	6	274,400
Temporary loan, Resolves 1865.....	6 to 12 mos.	7 3-10	2,880,768
Total (principal and interest payable at maturity in..... legal tenders).			5,749,844
Debt past due.....			1,000
Requisitions			2,296,250
Total of all debt, except railroad loans.....			20,608,144
Less sinking funds, Back Bay lands, railroad stock and cash, applicable to the redemption of the public debt.....			12,888,000
Net debt... \$.....			\$7,715,141

LOANS TO RAILROAD CORPORATIONS.

Date of Acts.	Principal payable.	Rate.	Interest Payable.	Amount outstanding
Western R.R. Sterling Coupon Bonds, Acts 1838-39-41	1868	5	April & Oct.	\$2472,500
do do do	1869	5	"	90,000
do do do	1870	5	"	180,000
do do do	1871	5	"	157,400
				2899,900

Troy & Greenfield R.R. Sterling Coupon Bonds, Acts							
1854-59-60.....	do	do	do	1888	5	April & Oct.	£22,500
do	do	do	do	1889	5	"	29,800
do	do	do	do	1890	5	"	62,700
							£114,500
Troy and Greenfield Coupon Bonds, Acts 1854-59-60				1890	5	April & Oct.	\$200,000
do	do	do	do	1891	5	"	216,500
do	do	do	do	1893	5	"	209,000
do	do	do	do	1894	5	"	541,000
							\$1,166,500
Eastern R. R. Coupon Bonds, Acts 1857.....				1866	5	Jan. & July.	75,000
do	do	do	do	1867	5	"	75,000
do	do	do	do	1868	5	"	75,000
do	do	do	do	1869	5	"	75,000
do	do	do	do	1870	5	"	75,000
do	do	do	do	1871	5	"	50,000
							\$425,000
Norwich and Worcester R. R., Acts 1854-57.....				1877	6	Jan. & July.	700,000

FINANCES OF ST. PAUL, MINN.

The indebtedness of the city on the 1st October, 1865, was as follows, viz. :

Seven per cent bonds.....	\$326,226 65
Twelve per cent bonds	80,000 00
Bills papable at 10 and 12c per annum.....	47,000 00
Making a total of.....	\$408,227 65

This amount with the outstanding scrip and orders, perhaps about 7,000, which with about \$10,000 the city will require to borrow to pay interest in New York and expenses, up to January 1st, 1866, will make the entire indebtedness of the city at that date, \$420,227 65.

The assessed valuation of the city on the 1st October, 1865, was follows :

Real estate	\$2,950,000
Personal property.....	1,485,000
National bank stock.....	900,000
Total.....	\$5,285,000
The city levy of 18 mills on the above amount including National bank stock stock, will yield about.....	\$78,980
Less discount and collection.....	7,000
Add revenue from wharfage \$12,000; licenses \$12,148; bridges \$7,000; city justices' courts \$4,500; and market and pound 2,000	37,648
Total estimated revenue for 1865-66.	\$149,578
The city expenses will be—mayor and alderman \$3,300; police force \$7,800; city attorney, clerk and treasurer, each \$1,000, \$3,000; city comptroller, jailor, pound master and market master, each \$600, \$2,400; city justices \$450.....	
Streets \$1,500; fire department \$1,000; prison \$1,000; incidental \$8,000; printing, &c., \$1,500.....	27,500
Interest and exchange on 7 per cent bonds.....	28,977
" " on 12 per cent bonds and bills payable.....	9,240
Balance to credit.....	\$80,406
If the assessment of the National bank stock be sustained by the courts, there will be an additional amount of.....	16,200
Total balance to credit.....	\$46,608

—which may be applied to cancel the bills payable. The city indebtedness will then stand as follows :

Total indebtedness, Jan. 1, 1866.....	\$420,227 65
Surplus revenue above expenses	30,405 77
	<hr/>
	\$389,821 88
National bank tax, if sustained.....	16,200 00
	<hr/>
	\$373,621 88

With a prospect of an early completion of the railroads converging on the city and the advance of real estate, the city's credit can be easily sustained, and the amount of borrowed money paid off next year.

THE CITY DEBT OF TORONTO.

The amount of the debenture debt in December 31, 1864, of Toronto, Canada, was \$2,383,584 99. The purposes for which this debt was contracted were :

Purposes for which the debt was contracted.	Original amount of debt afore-said purposes.	Amount re-deemed to Dec. 31, 1864.	Amount outstanding on the 1st Jan., 1865.
Esplanade contract.....	\$767,896 65	\$77,870 98	\$699,516 67
Railway stock.....	600,000 00	170,293 84	429,706 66
Goal buildings.....	159,900 00	170,293 84	159,900 00
School buildings.....	54,950 00	30,589 00	24,370 00
Opening streets.....	87,820 00	30,589 00	87,820 00
Local improvements.....	33,572 00	30,589 00	33,572 00
New drill shed.....	4,000 00	30,589 00	4,080 00
Erection of city public buildings....	111,000 00	30,589 00	111,000 00
Construction of sewers and macadamizing streets and other general improvements.....	1,107,486 28	264,916 62	482,519 66
	<hr/>	<hr/>	<hr/>
	\$2,929,751 98	\$548,169 94	\$2,383,584 99

JOURNAL OF INSURANCE.

INSURANCE LEGISLATION.

It is not remarkable that the measures adopted by the several State Legislatures for protecting insurance companies organized within their own States, should give rise to an attempt to secure from Congress a general insurance law, superseding all State legislation, and placing insurance upon an equal footing in all parts of the United States.

The insurance interest in each State has sought to shield itself from the competition of companies in other States by procuring enactments imposing disabilities upon outside corporations. Such restrictions have materially retarded the progress of the insurance interest, and have so far been injurious to the public welfare. The aim of such measures is to establish a monopoly. The public good requires that the people shall have freedom to insure with whatever companies offer the most advantageous terms of insurance. If the companies in a given State are unable to hold their own against the exercise of such freedom, it can only be because they do not possess the proper requisites for transacting an insurance business efficiently. Laws checking the competition of companies from

other States, are, therefore, simply a premium upon inefficiency, and tend directly to encourage and consolidate bad management.

The supposition that any State can have interests antagonistic with those of other States is unsound in principle. It is to the interest of the citizens of every State to have the cheapest and safest insurance that can be found; and the true protection that should be afforded by a legislature, is to see to it that insurance companies from all parts of the country have unrestricted freedom to insure within the limits of the State. That is the protection of the people; restrictive insurance laws are the protection of a class of capitalists, as against the people. Such legislation is unworthy the spirit of a great and free country. It is precisely the same in principle with the petty prohibitions by which the commerce of European nations has been dwarfed, and international jealousies, pregnant with hostilities, have been generated. If it be desirable to protect the insurance companies of a State against those of neighboring States, it is equally so to impose restrictions upon the manufactures and the labor of other States; and thus the principle, carried out to its legitimate bearings, would lead to a system of prohibitions which would compel the people to buy everything in the dearest market, and to deprive them of every advantage enjoyed by other States.

This restrictive legislation overlooks the very important fact that there are certain States which possess peculiar facilities for the employment of capital in insurance. In the East, for instance, there is always a larger amount of surplus capital than in the West; the result of which is that the rate of interest is lower, and insurance can therefore be afforded at lower rates. At the point where surplus money centers, there also we may expect to find the best financial talent; so that insurance associations in such places are likely, as a rule, to be better managed than elsewhere. The following statement showing the number, assets, and risks of insurance companies at the chief points, taken from the census of 1860, will illustrate how far this tendency regulates the distribution of insurance capital:

	Number of companies.	Capital and assets.	At risk.
New York.....	185	\$53,287,547	\$916,474,956
Massachusetts.....	117	6,853,190	450,896,253
Connecticut.....	12	5,854,686	279,322,184
Rhode Island.....	6	2,419,688	82,187,104
Philadelphia.....	10	6,510,601	189,229,874
New Orleans.....	9	6,738,081	221,100,000
Charleston.....	2	.....	47,291,000
Augusta, Ga.....	1	952,858	7,000,000
Jersey City.....	1	179,713	5,281,061
Peoria, Ill.....	1	263,995	6,806,377
Total.....			\$2,105,588,819

Thus it appears that, in 1860, New York, Massachusetts, and Connecticut covered more than three-quarters the insurance risks of the country. This is not a mere accident; it arises from the fact, evidenced in the above figures, that the companies of those States afford a broader basis of security. In New York, the capital and assets are over 5½ per cent of the amount at risk; in Massachusetts nearly 1½ per cent; in Connecticut about 2 per cent; in Philadelphia 4½ per cent; and in New Orleans 3 per cent. With this great advantage as to secu-

rity, in behalf of eastern companies, it is not surprising that they should command preference. What State can legislate for the exclusion of the insurance agencies of these States; without driving its citizens to insure where there is less security for covering their risks? And, on the other hand, what conceivable motive can the legislators of the Eastern States have for resorting to petty exclusive legislation upon this question?

But while it is a grave economic error to repress the free operation of insurance by State legislation, it would be a still worse policy to seek relief from these vexatious obstructions by placing the whole insurance interest of the United States under Congressional regulation—a course which is at present being actively agitated by a portion of the insurance associations. This movement is a fresh illustration of the prevailing mania for surrendering individual control into the hands of the general government. Fortunately for the liberties of the people, the Constitution confers upon Congress no authority to assume control over such affairs; and even were it otherwise, the chances are that the uniformity of regulations under which the insurance interest of the country would be placed would prove simply an uniformity of embarrassments. If insurance must be fettered let the bonds be imposed by the weaker power, and not by the powerful central government; and, as a remedy for the evils we have discussed, let every State repeal every restriction it has imposed upon the operations of insurance companies organized in other States.

INSURANCE AGAINST ACCIDENTS.

One of the most popular systems of indemnity ever put into execution and use, and one which has grown universal in a very short space of time, is the insurance against the accidents to which human beings are liable. Nothing can be more beneficial to the regular traveler, to the tourist in search of health, pleasure, or the wonders of our country, to any one, in fact, who moves to any extent from place to place. None can tell how soon a misplaced switch, an open drawbridge, or the decayed timbers of a bridge may derange a train's operations, and cause loss of limb, and even of life to the passengers thereon.

We read daily, and have for years read of these accidents, but until quite recently there has been no security as far as indemnity for such accidents is concerned, in the shape of a policy of insurance. Hitherto, a railroad company was the only responsible party, and then only so far as carelessness or mismanagement upon its part went. Occasionally by bringing the matter in a court of justice, after long and expensive lawsuit, parties were finally recompensed for their losses.

When this occurred it had to be plainly shown that the railroad company was the party which had committed the mismanagement. Those persons who were so unfortunate as to fall off a platform while standing thereon in direct violation of the company's orders and notices to that effect, had to suffer themselves, and nothing securing to their friends an annuity was dreamed of. A man who happened to lose an arm while leaning from the open window of a railroad car, the same way.

Now, however, it is quite different. Companies are springing up all around for insuring against such accidents as we have spoken of. Parties now who travel take as naturally to an accident policy as a horse to cats. Railroad companies, even themselves, have gone so far as to allow an insurance company to assume the risks to which they were formerly liable.

It has, indeed, become a legitimate system of insurance, and is no more, where it has been introduced, looked upon either as a novelty or an experiment.

We look upon Accidental Insurance as a necessity, and Accidental Insurance Companies (sound ones) as a blessing, and the development of the progressive spirit of the age in which we live.

MINES AND MINING STATISTICS.

LAKE SUPERIOR MINING.

THE copper of Lake Superior is native, *i. e.*, it is the pure metal and not an ore—mixed but not alloyed with other substances. There are but two or three ore mines in the Upper Peninsula, and none of them are as yet of comparative importance. The copper is found in different strata of rock, both on the surface and at various depths in the earth. It is deposited in immense masses, in small nuggets, and in grains diffused throughout the rock. The geological laws governing these deposits are complex, and far from being fully ascertained. The belts of rock, in which the mineral is found, are called lodes or veins, these terms being generally used indiscriminately, although there is some slight technical distinction in their meaning. The surface indications of the existence of copper are not very marked and furnish no reliable evidence as to the richness or extent of the underlying deposits. When its copper-bearing rocks are parallel with the adjacent strata, they are said to run with the formation, but when they strike them at an angle they are said to run across the formation, and are called fissure veins.

A high and precipitous bluff, if the indications justify it, is selected for the location of a mine, as greatly facilitating the operations on the surface, and affording important advantages for ascertaining the extent and value of the mineral deposits. A gang of men commence at the top of the bluff, mining downward, digging a pit generally seven by twelve feet in dimensions. This is called a "shaft," and the work of excavation is termed "sinking." A shaft is either perpendicular, or else "sunk upon the vein," that is, in the strata of copper-bearing rock when that has been reached, before taking its "dip" or slant. Every mine possesses at least two shafts, and usually more. At a certain depth from the surface, generally about 10 fathoms, a tunnel, seven by five feet in dimensions, is started horizontally, running along the vein and connecting with the other shafts. This is called a "level," and the work of excavation in this case is termed "driving." The shafts are some hundreds of feet apart, and when thus connected, a strong current of air blows through the mine, giving it thorough ventilation. The work continues still deeper. The shafts are sunk 10 fathoms more, and connected by another level, and so on *ad libitum*, and in the mining vernacular these successive galleries are spoken of as the "ten-fathom

level, twenty-fathom level, thirty-fathom level, etc." From the foot of the bluff, also, work is generally commenced, and an opening is "driven" horizontally into the rock, connecting with one of the first levels. This is styled an "adit," used for purposes of drainage and ventilation, and often as a means of entrance and egress. The shafts, levels and adits constitute the mere skeleton of a mine, and this preliminary work, which requires months of labor and immense outlay, is called "opening the mine," and not until it is completed can the production of mineral in any considerable quantities be attempted. The shafts are provided with a series of narrow ladders, each from 30 to 40 feet in length, which are securely partitioned off and firmly fastened, and by which the miners ascend and descend. The shafts are also provided with massive hoisting apparatus, a large bucket being used in case the descent is perpendicular, but a tramway and a car known as a "skip," if it is inclined. Tramways are all placed in the levels to transport the rock to the shafts, and provided with small cars. A large pump is carried to the lowest depth of the mine and kept continually in motion, and in occasional cases artificial ventilation is furnished in remote portions by means of air tubes, connected with a fanning machine on the surface.

When the mine has been thus opened and the necessary machinery provided, parties of miners commence to "stope," that is, to remove by blasting the rock which either surrounds or contains the mineral. "Stoping" is therefore the main business of the mine, to the wants of which all the other operations are subservient. "Stoping" parties, with one of the levels or shafts as their base, take out all the "vein matter," as the copper-bearing rock is termed, leaving here and there natural pillars to sustain the ponderous roof, whose weight no timbers, however massive, could support. The copper is often found in enormous masses, and then it is handled with great difficulty. It cannot be drilled, and it is too tenacious to be blasted. The rock is therefore removed from its surface as much as possible, and holes are drilled below it. Immense sand blasts, consisting of many kegs of powder, are placed underneath, and by several of these it is torn from its stony fastenings. In the Minnesota Mine, a mass of copper was found which weighed 450 tons, and in one of the sand blasts, which were placed under it, 33 kegs of powder were used. At the same mine, a mass of copper of about five tons, found some 18 feet beneath the surface, was thrown by one of these large blasts through the over-laying earth high in the air, and fell many feet off in a deep ravine. When these masses are too heavy for handling, or too large for transportation through the narrow levels, they are cut up with cold chisels, a tedious but the only efficacious process. The copper is also obtained in small pieces of a few pounds, and this is called "barrel work." Mass and barrel copper are generally freed from all the rock possible with the pick and hammer, and thus shipped for smelting. The third variety of the mineral is found in small grains scattered through the rock, and this is crushed in the stamp mills, freed from the rock by washing, and shipped under the name of "stamp work." Considerable native silver is found mixed with the copper, but most of this is abstracted by the miners, and never reaches the company. The Cliff Mine, however, obtained \$1,800 worth of silver from their stamp work last year. Openings, similar to the shaft, are frequently made for various purposes from one level to another, or from a level to the surface; these

are called "winzes." Often, also, a species of "level" is started at right angles with the general openings of the mines, i. e. running across instead of with the formation of the copper-bearing rocks; this is termed "cross-cutting," and is generally used for "prospecting," or determining the character and value of the adjacent strata.

This account would not be complete without some brief allusion to the enormous amount of surface improvement, which is as necessary to the successful prosecution of mining operations as the underground labor. The ground has to be cleared, and houses erected for the accommodation of the officers and employees of the company. Miles of road are made to connect the mine with the nearest port, both to secure supplies and also a market for the copper. Ponderous and expensive machinery must be imported, and stamp-mills machine-shops, forges, kilns, sheds, barns and offices constructed. A large dam must be built to secure a constant supply of water to wash the stamp rock. An enormous quantity of fuel must be supplied. Few people realize the tremendous consumption of wood resulted from this cause. The demands of a large mine will clear more than 200 acres of woodland in a twelvemonth. Of course many teams and laborers are required in this department of the business alone. Stores, capable of filling the wants of the new settlement, must also be started and maintained, and all the chief mines possess their own school house and church. All this must be created from nothing, and in the midst of a barren wilderness. It is only when these things are seen, that the beholder commences to realize the enormous capital required for mining operations. The prevalent ideas on the subject are ridiculously absurd, and only those who have personal knowledge can form just conceptions concerning the matter. Every mine necessitates a village upon the surface, as well as vast underground avenues, and when it is stated that there are nearly one hundred mines on the Lake, the mind begins to comprehend the immensity of the copper interest of this section.

WEALTH OF VIRGINIA.

THE State geologist, Dr. Grant, has recently returned from a tour of this State, and is more than ever impressed with the vastness and variety of the material resources of Virginia. He appears to be surprised into an unusual degree of admiration at the wonders he has witnessed. Although Virginians have long heard vague accounts of the vast wealth in mines and minerals concealed in the bowels of the earth, and are prepared to expect gratifying disclosures, they will scarcely be prepared for the wonderful results exhibited in Dr. Grant's recent explorations. Virginia energy has been chiefly directed to agriculture. Few of our citizens have sought to explore the hidden wealth and wonders of her soil. But little has been known in regard to these, and that little has been revealed more by accident or casual and superficial examination than by continued and well-directed scientific exploration. Dr. Grant's professional ardor and personal energy are in keeping with his high attainments. The State will be much indebted to him for making her vast resources known to herself and to the world.

Dr. Grant travelled about twenty-five hundred miles over the State, visiting

nearly every county, and carefully examining and exploring each. He says that Virginia possesses every metal and mineral that all the other States possess, and any specific one in as great abundance and of equal quality with an other single State.

Of the metals examined by him may be enumerated gold, silver, iron, lead, tin, zinc, platinum, molybdenum, tellurium, cobalt, nickel, bismuth, antimony, arsenic, plumbago, etc.

Of the minerals, coal, marble, kaolin (porcelain clay), potter's clay, fire clay, fuller's earth, hydraulic cement, asbestos, soapstone, slate, red and yellow ochre, mineral paints, manganese, gypsum, salt, marl, white sand, numerous mineral springs, etc.

Dr. GRANT has visited over one hundred gold mines, forty silver mines, twenty-five consecutive mines of copper, lead and zinc, three tin mines, one platinum, two of molybdenum, one of tellurium, one of cobalt, one of nickel, one of bismuth, one of antimony, four of arsenic, and twenty of plumbago.

There are about two hundred square miles of coal lands in the Shenandoah Valley, one hundred square miles in Chesterfield County, twenty square miles in the Farmville fields, and two hundred and fifty square miles in Botetourt, Montgomery, and other counties of Southwestern Virginia.

Of the valuable ores he says: The gold ores of Virginia are more brittle, more easily crushed, and by analysis equally valuable with those of Colorado, and cover fully as great an area.

Silver is found both in simple ore, in argentiferous galena, and with native copper.

There are lead mines in Southwestern Virginia as rich as any in America. They supplied the whole South during the war, and show no signs of exhaustion. The ores are compact blue sulphuret, and are frequently found in solid veins six feet wide.

The coppers are carbonate and sulphuret. Masses of native copper have been found in this State of great size. The mines extend through at least eight counties.

The iron ores are red and brown hematite, ferruginous ochre, specular, magnetic, spathic, black band, sulphuret.

The coals found are adapted to the furnace.

COMMERCIAL AND INDUSTRIAL STATISTICS.

CROPS, LIVE STOCK AND FARMS—ANNUAL REPORT OF THE COMMISSIONER OF AGRICULTURE.

The annual report of the Commissioner of Agriculture shows that, with the exception of wheat, the yield of the crops during the past year has been very large. The following tables exhibit the result:

AMOUNT OF CROPS.

	1863.	1864.	Increase.	Decrease.
Indian corn.....	897,839,212	580,451,403	132,612,191	.....
Wheat.....	173,677,428	160,695,823	.....	12,482,165
Rye.....	19,989,335	10,872,975	.....	116,360
Oats.....	170,124,864	175,990,194	5,865,330	.....
Barley.....	12,158,195	11,716,328	.....	1,442,567
Buckwheat.....	15,786,122	18,700,540	2,914,418	.....
Potatoes.....	98,965,198	96,532,029	.....	2,433,169
Total.....	888,546,554	1,012,459,292	141,386,939	16,974,201
Tobacco.....	163,353,082	197,460,229	34,107,147	.....
Hay.....	18,316,730	18,116,691	.....	200,039

AVERAGE OF CROPS.

Indian corn.....	15,812,441	17,438,752	2,126,311	.....
Wheat.....	18,098,936	18,158,089	9,153	.....
Rye.....	1,439,607	1,410,983	.....	28,624
Oats.....	6,686,174	6,481,750	.....	224,424
Barley.....	557,299	540,317	.....	16,982
Buckwheat.....	1,054,060	1,051,700	.....	2,360
Potatoes.....	1,129,804	902,295	.....	227,509
Tobacco.....	216,423	239,826	23,403	.....
Hay.....	15,641,504	15,034,564	.....	606,940
Total.....	55,136,248	56,238,276	2,208,867	1,106,839

VALUE OF CROPS.

Indian corn.....	\$278,089,609	\$537,718,183	\$249,628,574
Wheat.....	197,992,837	291,315,119	96,322,282
Rye.....	20,589,015	31,975,013	11,386,998
Oats.....	105,990,905	139,381,247	33,390,342
Barley.....	18,496,373	16,941,023	3,444,650
Buckwheat.....	12,660,469	21,986,763	9,326,294
Potatoes.....	55,024,650	77,184,043	22,159,393
Tobacco.....	24,239,609	29,335,225	5,095,616
Hay.....	247,680,855	365,707,074	118,026,219
Total.....	\$955,764,322	\$1,504,543,690	\$548,779,368

The above tables do not show the exact comparative differences between the years 1863 and 1864, because the latter year embraces the crops of Kentucky, which are not in the year of 1863. Deducting from 1864, the comparison will be as follows :

TABLE OF COMPARISON BETWEEN 1863 AND 1864.

	1863.	1864.	Increase.	Decrease.
Bushels.....	888,546,554	959,821,150	71,274,596	.....
Tobacco, lbs.....	163,353,082	140,503,760	.....	22,849,322
Hay, tons.....	18,343,730	18,004,366	.....	339,364
Average.....	55,136,248	58,930,797	.....	1,185,451
Value of crops.....	\$955,764,322	\$1,440,415,435	\$484,651,113	.....

The table of comparison between 1863 and 1864 exhibits much that is important. The increase in the bushels of grain is large and the decrease in the pounds of tobacco raised is also great. The decrease in acres cultivated is 1,185,451, but the increase in the value of the above crops is \$484,651,113.

The first increase is from the corn crop, and the last may be attributed to an increase in the currency, or a spirit of speculation.

GENERAL SUMMARY OF THE AMOUNT OF THE CROPS OF 1865, COMPARED WITH THOSE OF 1864 AND 1863.

	1865.	1864.	1863.
Wheat, bushels.....	148,552,829	160,695,828	179,464,036
Rye, bushels.....	19,543,905	19,872,975	20,732,732
Barley, bushels.....	11,891,286	10,632,178	11,868,155
Oats, bushels.....	225,252,395	176,690,064	178,800,575
Corn, bushels.....	764,427,853	530,581,403	451,967,969
Buckwheat, bushels.....	18,331,019	18,700,540	15,806,455
Potatoes, bushels.....	101,032,095	99,256,888	100,158,670
Total bushels.....	1,228,501,282	1,013,429,871	958,288,532
Hay, tons.....	23,538,740	18,116,751	19,736,847
Tobacco, lbs.....	188,316,958	197,468,229	267,267,920

In the Western States the Wheat crop is very deficient in quality. It has been estimated by the department that the deficiency in both quantity and quality is 26,241,698 bushels; in quantity alone, 12,172,944 bushels. The quality of the corn crop is excellent, and that of the remaining crops is believed to be an average. The number of bushels in 1865 exceeds those of 1864 by 215,710,411.

LIVE STOCK.

The following table shows the total number of live stock for January, 1864 and 1865, the increase and decrease thereof, the general average price of each kind, the value of each kind, and the total value of all:

Animals.	1864.	1865	Incr.	Decr.
Horses.....	4,049,142	3,740,933	.....	308,209
Mules.....	280,847	217,553	.....	33,294
Cattle and oxen.....	7,965,439	7,072,591	.....	892,848
Cows.....	8,006,748	5,768,130	.....	2,238,618
Sheep.....	24,346,391	28,647,269	4,300,878	.....
Hogs.....	16,148,712	13,070,387	.....	3,077,825
Total.....	58,867,279	58,547,363	4,300,878	4,610,704

NUMBER, AVERAGE PRICE, AND TOTAL VALUE IN JANUARY, 1865.

Animals.	Number.	Av. price.	Total value.
Horses.....	3,740,933	\$80 84	\$302,425,499
Mules.....	217,553	102 08	25,041,488
Cattle and oxen.....	7,072,591	26 17	185,090,087
Cows.....	5,768,130	36 70	211,718,270
Sheep.....	28,647,269	5 40	154,807,466
Hogs.....	13,070,387	8 55	111,796,318
Total value.....			\$990,879,128

THE SOUTH.

The Commissioner gives the following account of the farms in the Southern States:

The average size of farms in the United States, in 1860, was 199 acres; almost double the average for Great Britain, which, in 1851, was 102 acres only, notwithstanding the great size of many baronial and aristocratic "holdings"—there being no less than 170,814 farms in the kingdom, or considerably more than one-half of the entire number, having less than 50 acres each. But the average in the Southern States is far greater than the general average for the United States, as the following table will show:

	Improved lands.	Unimproved lands.	Number of farms.	Av. No. in each.
Delaware, acres	637,065	867,230	6,658	101
Maryland.....	3,002,267	1,038,804	25,494	190
Virginia	11,487,821	19,679,215	92,605	324
North Carolina	6,517,284	17,245,685	75,203	816
South Carolina	4,572,060	11,628,859	33,171	488
Georgia	8,062,758	18,587,782	62,003	430
Florida	654,213	2,266,015	6,568	444
Alabama	6,885,724	12,718,821	55,128	346
Mississippi	5,065,755	10,773,929	42,840	370
Louisiana	2,707,108	6,591,468	17,328	586
Texas	2,650,781	22,693,247	42,891	591
Arkansas	1,983,313	7,590,393	39,004	245
Tennessee	6,795,337	13,873,828	32,368	251
Kentucky	7,644,268	11,519,053	90,814	211
Missouri	6,246,871	13,737,939	92,792	215
Total	74,362,565	171,101,718	764,867	320

The large proportion—almost three-fourths—of unimproved land in farms, in addition to the unimproved public lands, illustrates pointedly the necessity that vastly more labor be applied to their cultivation. The most populous states in the Union have the smallest farms, commanding the highest price per acre; and the value per acre is, as a general fact, inversely proportionate to the size of the farms. Thus the farms of Massachusetts average ninety-four acres; of Rhode Island, ninety-six; of Connecticut, ninety-nine; of New York, one hundred and six; of Pennsylvania, one hundred and nine, and of Ohio, one hundred and fourteen."

SEEDS.

In the distribution of seeds, 234,945 packages have been delivered to senators and representatives in Congress, 119,692 to agricultural and horticultural societies, and 403,583 to regular and occasional correspondents, and in answer to personal applications—making total of all varieties of seeds of 768,231 packages.

The distributions from the experimental and propagating garden during the past year have been mainly confined to varieties of small fruits, such as grapes, strawberries, gooseberries, raspberries and currants. Of these about thirty-five thousand plants have been distributed through the usual channels.

PHOTOGRAPHIC DISCOVERIES.

We take the following account of the results of experiment in photographs from a contemporary, assured that they will interest as well as instruct our readers.

NEGATIVES WITHOUT A NITRATE BATH.

The oft-repeated attempt to dispense with a nitrate of silver bath in producing negatives has received attention during the year, and renewed experiments have been made with some degree of success. Our own attempts made years ago were chiefly directed to getting rid of the nitrate baths in the wet process. We have made some experiments in the same direction during the past year. Herr Paul Liesgang has done the same, and Messrs. Slyce and Bolton have successively experimented in producing dry plates by similar means. In their experiments they use a colodion containing five grains of pyroxytine, five grains of bromide of cadmium, two one-half grains of bromide of ammonium, and nitrate of silver eleven to twelve grains, by which bromide of silver in a finely suspended state, which is formed in the colodion plates coated with this, immersed in water until there is no appearance of greasiness, and then immersed five or ten minutes

in a fifteen grain solution of tannin, to which we added three grains each of grape sugar and gallic acid, and dried. This gives good negatives after very short exposure on the application of an alkaline developer.

COMBINATION OF THE SALTS OF SILVER AND LEAD IN PRINTING.

M. Grune has produced some positives with the double oxide of silver and lead. His process rests upon Wohler's discovery that if we precipitate a mixed solution of a salt of lead and a salt of silver by potassa, a yellow precipitate is formed, which is a true alloy of the oxide of the two metals. This alloy, consisting of sixty-six parts of oxide of lead and thirty-four parts of the oxide of silver, is sensitive to the action of light. It is said that the paper to which it is applied is printed as rapidly as paper coated with chloride of silver, yields the most delicate half tones, and the fixing and toning are effected in the ordinary manner. Ordinary paper is placed on a bath composed of

Nitrate of lead	2½ parts.
Nitrate of silver.....	1 "
Water	20 "

When dried the paper is floated a second time upon a bath composed of one part of potassa dissolved in thirty parts of water. The paper now becomes yellow brown, it is dried and then exposed. Under the luminous action the lights become brownish, but they return to a pure white under the action of the hyposulphate of soda. The process tones in the gold bath exactly like those upon albuminized paper.

NEW METHOD OF PHOTOGRAPHIC PRINTING.

Mr. Thomas Fox has patented a process of printing without nitrate of silver, which he states produces pictures of an intense black, equal if not blacker than any known process, and which will not fade from ordinary exposure. Sensitize the paper with a solution of bichromate of potass and sulphate of copper, mixed in the proportions of one part of the former to two of the latter, and either float or steep the paper for a few minutes, then dry in the dark by a fire, (this paper will retain sensitiveness for some days if carefully preserved from the light) then print from a glass transparency or a paper print. The time of exposure is much the same as in printing with nitrate of silver; in sunshine from one to three minutes is amply sufficient for glass. Prepare a strong decoction of logwood, and filter such a quantity as will float the print, add a little hot water to hasten the development, float the sensitized picture from half a minute to a minute, print side down, and then holding it by one corner gradually raise it from the logwood—a perfect delineated copy is the result. Next dip it into hot or cold water and varnish. This gives a very distinct picture, with the shades of a deep black, and the lights of a rather greyish yellow tint. In order to obtain a white ground, I use a weak solution of alum, put in hot water.

RECOVERY OF SILVER FROM WASTE SOLUTIONS.

It is stated that out of every one hundred ounces of silver used by a photographer, that ninety-three ounces may be recovered, which would be and is to a great extent in this country lost. It is but lately that they even saved the clip-

pings of the prints and would not have done so then, but they found that there were men traveling around, who were wishing to buy them. A plate of copper left in the solution of nitrate of silver which constitutes the washings precipitates the whole of the silver in the state of metallic sponge in four and twenty hours. A plate of zinc acts in the same manner.

A plate of copper left in the solution of hyposulphate soda, which constitutes the fixing bath precipitates the silver in the form of a coherent powder often even in a continuous plate but with less rapidity. Two days' contact are necessary at least, and four days are better, but at the end of this time the action may be considered as terminated, prolonging it will be neither injurious or advantageous, if the precipitate be longer in presence of hyposulphate of soda. It is not moreover so complete. The quantity of silver lost by discarding the hyposolution as is mostly done, is about 37 per cent.

We perceive from every point of view that there is an advantage in treating separately the washing waters before toning and the fixing solution. To this end the photographer must have either within or without the operating room, two earthen vessels of such dimensions that one may contain the washing water of two days, the other the fixing solutions and their first washing of four or six days. In each of these pots a number of plates of copper placed on two large plates placed opposite to each other answer the purpose very well. No suspension or particular precaution is necessary. The sheets of copper may simply rest against the sides of the vessel. In the course of his working the photographer will throw the washings into the first pot and allow them to remain twenty-four or forty eight hours as required. Into the second pot he will throw the fixing bath and their first washings, taking care to leave them for at least a couple of days to settle.

THE MONSTER BELLS OF THE WORLD.

In making large bells, loudness rather than pitch is the object, as the sound can be conveyed to a much further extent. This accounts for the enormous weight of some of the largest bells. St. Paul's for instance weighs 13,000 pounds; the bell of Antwerp, 16,000 pounds; Oxford, 17,000 pounds; the bell at Rome, 19,000 pounds; Mechlin, 20,000 pounds; Bruges, 23,000; York, 24,000 pounds; Cologne, 25,000 pounds; Montreal, 29,000 pounds, Erfurt, 30,000 pounds; "Big Ben," at the House of Parliament 31,000 pounds; Sens, 34,000 pounds; Vienna, 40,000 pounds; Novgorod, 69,000 pounds; Pekin, 139,000 pounds; Moscow, 141,000 pounds. But, as yet, the greatest bell ever known is another famous Moscow bell, which was never hung. It was cast by the order of the Empress Anne, in 1653. It lies broken on the ground, and is estimated to weigh 443,772 pounds. It is nineteen feet high and measures around the margin, sixty-four feet. No wonder that it has never been suspended.

There are few bells of interest in the United States. The heaviest is probably the alarm bell on the City Hall in New York, weighing about 23,000 pounds.

As the Russians make their pilgrimage to the great Moscow bell, and regard

it with superstitious veneration, so the American citizen honors and venerates the old Independence bell at Philadelphia, for he is not only reminded of the glory of the Revolution, but he believes, now more than ever, since the injunction has been obeyed, its inscription—"Proclaim liberty throughout the land, unto all the inhabitants thereof."

SALARATUS BY THE ACRE.

Fitz-Hugh Ludlow, in his overland trip to California, found between Utah and the Humboldt mountains a large desert composed, as he says, of "sand of snowy alkali." He describes it as one of the most dismal and forbidding spots that was ever traversed by the foot of man; but, in view of the extension through it of the Atlantic and Pacific railroad, he suggests an interesting possibility as to its future use. He says: "In its crudest state the alkaline earth of the desert is sufficiently pure to make violent effervescence with acids. No elaborate process is required to turn it into commercial soda and potash. Coal has already been found in Utah. Silica exists abundantly in all the desert uplifts. Why should not the greatest glass-works in the world be reared along the desert section of the Pacific road? and why should not the entire market of the Pacific coast be supplied with refined alkalies from the same tract?"

WORSTED GOODS.

The manufacture of worsted goods, consisting of all wool and cotton warp, mouseline delaine, bareges, cashmeres, etc., for ladies' dresses, is mainly carried on in three establishments, in the United States. These are the Manchester Print works in New Hampshire, the Pacific Mills at Lawrence, and the Hamilton Woolen Company's Works at Southbridge, Massachusetts. The product of the aforesaid establishments in 1864 was 22,750,000 yards, the annual value of the products \$3,710,375, annual cost of labor \$543,684, female hands employed 1,277, male hands employed 101, sets of cards 110, cost of all raw material used, \$2,442,775, pounds of cotton used, 1,653,000, pounds of wool, 3,000,000, capital invested, \$3,230,000.

MANUFACTURES OF LOWELL.

Lowell's 33 cotton mills employ 948 males and 1,650 females, and last year produced \$7,125,753 worth of fabrics; two calico and muslin delaine mills employed 188 males and 11 females, and turned out \$3,167,122 worth of fabrics; 15 woolen mills employed 699 females and turned out \$2,620,214 worth of fabrics; 5 carpet mills employed 382 males, 573 females, and turned out \$3,570,453 worth of carpeting.

STATISTICS OF POPULATION.

POPULATION, ETC., OF MEXICO IN 1865.

The following table and remarks upon the same are from a late number of the *Mexican Times*.

Departments.	sq. miles.	Population.	Capital.
Yucatan	30,659	263,547	Merida.
Campeche	18,594	126,368	Campeche.
La Liguas	10,531	47,000	El Carmen.
Tobasco	11,906	94,939	St. Juan Bautista.
Chiapas	11,896	157,318	San Cristobal.
Tehuantepec	12,494	65,275	Suchil.
Oajaca	11,492	235,845	Oajaca.
Ejutlan	7,231	93,675	Ejutlan.
Teposcolula	8,450	160,720	Teposcolula.
Vera Cruz	13,248	266,159	Vera Cruz.
Tuxpan	8,831	97,940	Tuxpan.
Puebla	7,131	467,788	Puebla.
Tlaxcala	6,487	339,571	Tlaxcala.
Valle de Mexico	2,562	481,796	Mexico.
Tulancingo	6,437	266,678	Tulancingo.
Tula	8,856	178,174	Tula.
Toluca	6,844	311,853	Toluca.
Iturbide	5,206	157,619	Tarcon.
Queretaro	5,916	273,515	Queretaro.
Guerrero	10,425	424,836	Chilpancingo.
Acapulco	12,408	97,949	Acapulco.
Michoacan	10,987	417,378	Morelia.
Tancitaro	7,462	179,100	Tancitaro.
Coalcoman	6,200	96,450	Coalcoman.
Colima	7,049	136,783	Colima.
Jalisco	7,826	219,987	Guadalajara.
Autlan	8,722	82,674	Autlan.
Nayarit	10,737	78,615	Acaponita.
Guanajuato	9,075	601,850	Guanajuato.
Aguascalientes	11,050	433,151	Aguascalientes.
Zacatecas	11,156	192,823	Zacatecas.
Fresnillo	14,368	82,860	Fresnillo.
Pt. mi.	14,137	308,116	San Luis.
Matheuala	18,116	88,427	Matheuala.
Tamauilipas	12,506	71,480	Ciudad Victoria.
Matamoros	13,719	49,084	Matamoros.
Nuevo Leon	14,868	152,645	Monterey.
Coahuila	24,975	63,178	Saltillo.
Mapimi	28,300	6,777	S. F. de Rosas.
Mazatlan	13,125	94,887	Mazatlan.
Sinaloa	28,100	82,185	Sinaloa.
Durango	21,213	103,603	Durango.
Nazas	18,806	46,495	Indee.
Alamos	16,605	41,041	Alamos.
Sonora	26,212	80,129	Ures.
Arizona	30,325	25,603	Altar.
Huioquillo	27,993	16,092	Jimenez.
Batopilas	18,515	71,481	Hidalgo.
Chihuahua	33,381	65,824	Chihuahua.
California	52,781	12,420	La Paz.
Total	712,850	8,218,080	

The above statement is correct—it is official. The empire is divided into fifty departments, with an area of 712,850 square miles, and a population of 8,218,080 souls. It is more than three times as large as France, four times as large as Spain, and about thirty times the size of Holland and Belgium. It is in extent and internal resources a first class empire.

No country on earth has as many natural advantages. Mexico is self sustaining in every way. She raises her own breadstuffs of every kind; her beef and pork; her coffee, sugar and chocolate; her indigo, cochineal and vanilla, her wool, thread and cordage, and is now producing a large quantity of her cotton. She produces wines, aguardienta, mezcal and pulque in the greatest abundance. In the northern departments, bordering on the Rio Grande, there is a fine grazing region. Here are immense herds of horses, mules, cattle and sheep. The middle portion of the empire is more devoted to agriculture—to corn, wheat, rye, barley, and oats. Here the Irish potato grows well. The Pacific and Atlantic coasts are well adapted to sugar, coffee, tobacco and rice, and all the tropical plants and fruits. In the extreme South, in Yucatan, Campeche, Tehuantepec, Tabasco and La Laguna, is the country for dye woods, mahogany and the very best cacao. Here also grows in very great perfection the coconut and the chirimoya and every other inter-tropical fruit. The lovers of natural history will find here in their native forests the noblest specimens of animated nature.

Oajaca produces cochineal and indigo in large quantities, while the high lands of Jalapa have monopolized for years the production of the celebrated "purgative drug."

The most valuable silver mines are situated in Tulancingo, Zacatecas, San Luis Potosi, Guanajuato, Jalisco, Guerrero, Sonora, Sinaloa and Chihuahua. The copper mines of Chihuahua are said to be the richest in the world, and the pearls of Lower California have ever been in great demand. The silver mines of Real del Monte and Pachuda, in Tulancingo, are but a short distance from this city. They are the most valuable in the country, and are now yielding their owners large dividends. The mines of Guerrero are not only rich in silver and gold, but the streams abound in precious stones.

The mint of Mexico has coined from 1800 to 1860, in silver, \$405,924,496; in gold, \$26,175,544. How much of these precious metals was coined before 1800, and how much was taken out of the country by Spanish viceroys, by refugee presidents and generals, and by that system of smuggling carried on so successfully for so many years, will never be made known.

This is a vast empire of mountains and valleys. The valleys are exceedingly rich and productive, while the mountains are filled with hidden treasures. Two-thirds of all the silver in circulation in the wide world has been taken from Mexico. If she is but true to herself—if her citizens will rise above the small bickerings of party, and rally around our republican Emperor and support him in his onward march of progress and improvement, this empire will soon be one of the richest and happiest portions of "God's green earth." Mexico is richer to-day than she ever was. New mines are daily discovered and worked with improved machinery. There are in her mountains ten thousand times more silver and gold than have been taken out. All she wants is energy—energy—energy.

CENSUS OF IOWA.

The census recently taken shows the total white population, as far as returns have been made, to be 749,904, divided and classified as follows: Males 379,027; females, 370,877; entitled to vote, 146,279; militia, 97,624; foreigners not naturalized, 10,594; between the ages of five and twenty-one years, 293,204; blind, 259; deaf and dumb, 271; insane, 612; colored males, 1,801; colored females, 1,798; total colored, 3,599. There are five counties in the northwestern part of the State from which no report is yet received, which, at the last census, contained 170 inhabitants. Adding these to the total given above, we have 750,074. This is an increase in the last two years, in the white population, of 47,912; entitled to vote, 11,229; militia, 6,586; between the ages of five and twenty-one years, 26,787; colored, 2,279.

MERCANTILE MISCELLANIES.

THE NATIONAL TREASURY.

THE following abstract of a letter from Washington describes the *modus operandi* at the National Treasury:

Everybody is familiar with the peculiar signature of General Spinner, the United States Treasurer, on the notes constituting the National currency. I propose in this article to give your readers a little insight into the business of that department of the Treasury, over which he presides. The business of the Treasurer of the United States is transacted in six divisions or bureaus, as follows: The cash division, the bank division, the issue division, the loan division, the redemption division, and the division of accounts.

The cash division is a gigantic bank. It has its cashier, its paying teller, its receiving teller, its interest clerks, and its vault clerks. Into its yawning vault is poured the entire revenue of the United States Government. The receiving tellers receive all the revenue derived from the customs and import duties, from internal revenue, and from the post-office. The paying teller pays out money on drafts and checks on the Treasury, including all warrants drawn by the Postmaster General, all checks drawn by disbursing officers, the salaries of all persons in the diplomatic service, and all officers of the army and navy, and all pensions.

The vault clerks receive all the money which comes into the hands of the receiving tellers. They keep the money in solid square packages, about ten inches square. I took two of these packages, one in each hand. They were both of the same size and weight, and presented the same outward appearance. Yet one contained only \$4,000. The other contained the nice little sum of 4,000,000—enough to support a man comfortably during one's lifetime, with the exercise of economy.

The vast extent of the cash division may be realized from the fact that its receipts during the last fiscal year amounted to over two thousand millions of dollars, and its payments to even a larger sum.

The entire receipts of the cash division for the last six years have been five

thousand millions of dollars; and the entire payments during the same time have also amounted to five thousand millions of dollars. The receipts for 1860 were only twenty millions of dollars, and the payments only nineteen millions seven hundred thousand dollars.

The business transacted in the redemption division is very curious and interesting. It requires a corps of eighty-two clerks, sixty-three of whom are ladies, and is transacted in fourteen distinct apartments. All the currency that has served its purpose, and all mutilated United States notes, whether bearing interest or not, and all mutilated, torn or soiled fractional currency, is sent to this division from all parts of the country, and is here redeemed, and the amount returned to the sender in good and new currency. Here we see why Mr. Clark's money mills must be kept constantly running, and why it is necessary for such a vast volume of currency to be constantly made. Paper money lacks the durability of specie; and as it wears out, it must be replaced with fresh issues, or "redeemed." Hence the redemption division of the Treasury. The defaced, mutilated and worn-out notes reach the redemption division in large packages. They are sent in by banks, by railroad companies, by the cashiers of street cars, and by private individuals. If a note has been into one hundred pieces, and all the pieces be present, it will be redeemed at its full value. The counting of the contents of the packages is done by the lady clerks, who sit at tables with the packages before them. These ladies are obliged to detect counterfeit notes, as well as to count, and they do this while counting. They have acquired remarkable skill and dexterity in this respect, and some of them can detect a counterfeit note sooner than many men who consider themselves expert. From \$50 to \$100 in counterfeit notes are received here daily, and each note is at once branded "counterfeit" with a hot iron. Certificates of indebtedness from National Banks are received here, and are redeemed one year after date of issue, by checks on the Assistant Treasurers in New York, Boston and Philadelphia.

After the packages of notes have been counted and found correct, they are cut in two by an instrument like a straw-cutter, worked by hand. One-half is sent to the Secretary, the other half to the Register of the Treasury, by whom they are again examined, counted and compared, as a final check on the redemption division. They are finally burned.

The division of accounts is one of the most important in the Treasury. The work is transacted by H. Lighton, chief of division, F. M. Meline, chief book-keeper, and twenty clerks. The accounts passed upon in this division, and sent here for adjudication, embrace every item of the receipts, revenues and expenditures of the Government. All depositories and collectors of revenue, and all assistant treasurers make stated and regular reports of their financial transactions to this division. The accounts of all moneys transferred from one place to another; from one United States depository to another; from one assistant treasurer to another—are all sent to this division, and are properly entered, charged and credited. All drafts upon the Treasury are issued here; and thus every dollar that passes into or out of the Treasury is accounted for in this room.

The bank division has charge of all the bonds and securities deposited with the treasurer by the national banks and by United States depositories. There

are 1,554 of these national banks now in existence. Before any national bank can go into operation, it is required to deposit in this bank division a certain amount of bonds and other securities for its circulation. These securities are kept in a large vault, which contains 1,600 compartments, in 1,554 of which are deposited the bonds and securities sent in by the 1,554 national banks. No one has access to this vault except the chief of the bank division, unless on special written order from the Secretary of the Treasury. Receipts of these bonds and securities are sent by the bank division in duplicate, one to the Comptroller of the Currency, and one to the bank depositing the bonds. The banks are then furnished by the Controller of the Currency with what currency they need, the amount being regulated by the amount of security deposited. A register of all the bonds and securities deposited is of course kept. All the national banks make reports twice a year, in January and July, to the division of the amount of their capital stock, &c., and the substance of these reports is recorded in tabular form, in books kept in the bank division.

The loan division issues certificates of indebtedness on checks presented by disbursing agents. These are only in two denominations—\$1,000 and \$5,000. Each certificate is numbered, and as each one is issued, a record of the fact, with the number and the name of the person to whom it is issued, is entered. These certificates are payable one year after date of issue. For the week ending July 26, the certificates issued amount to \$2,450,000.

The compound interest notes, the fractional currency, and all the United States notes engraved and printed in the Treasury building are sent to the issue division of the Treasury, where they are counted, and then sent to the cash division. The general supervision of all these six divisions rests upon Gen. Spinner, the Treasurer of the United States, who has held his present position since the beginning of President Lincoln's administration.

THE CATTLE PLAGUE.

THE Cattle plague still occasions the deepest alarm in England although it did not seem at last accounts, to be spreading very rapidly beyond the districts where it began its ravages. To sum up the annals of this terrible and mysterious scourge from various sources it would seem to have made its first appearance in the British islands in the year 1745, the infection having been communicated by a bundle of hides taken from the bodies of diseased cattle and shipped from New Zealand where the sale and use had been prohibited. They were clandestinely sold on their arrival and at once propagated a pestilence which spread with amazing rapidity through every country on the known Globe. For twelve years it ravaged the flocks and herds of England, the Government having paid scarcely any attention to its progress until the third year, when it was already too late to arrest it without ordering all the infected cattle to be exterminated, 80,000 head were slaughtered but in reality 160,000 perished from the disease. In the space of six months 40,000 perished in Nottinghamshire and 30,000 in Cheshire, and the sum total of loss in Europe was estimated at 3,000,000 head.

In far earlier times, the malady had appeared on the Continent. In the reign of Theodoric, it raged at the South and about the time of Charlemagne's

return from his expedition against the Danes, whole herds died off in France. It again broke out in 812, 1223, 1625, 1710 and 1717 at the two periods last named visiting Poland and the Russian steppes with peculiar severity. In 1770, Holland lost 375,441 head of horned cattle, and the same scourge re-appeared in 1806 during Napoleon's campaign, in Italy killing in Piedmont alone 3,500,000 head. From 1713 to 1796 says the French *Feuille du Cultivateur*, or agriculturist's paper, France and Belgium lost ten millions of cattle. In 1806, after the forays of the Cossacks of the Don along the banks of Vistula; in 1813, subsequently to the invasion by Schwarzenburg and in 1855 during the Crimean war, the pestilence broke out with great virulence.

It would seem according to these statistics, that the disease has always revealed itself just after some great displacement or agglomeration of masses of men, and this fact is one of the strongest phenomena connected with the origin of a disease which seems to attack animals only and to spare the human race. Thus, it takes its source among barbarian hordes or armies of ill fed and ill clad soldiers and limits its contagious qualities to the brutes. In 1747, indeed, the New Zealand importation of diseased hides gave in another origin but this year there have been no great unusual collections of human beings anywhere but at Mecca. The collection of dead animals carcasses was in the Nile, yet, it was from Hungary alone that the malady took its origin to fall afterwards on England after having skipped the other countries of Europe. The disease appears to be limited to London and a few adjacent counties and many savants believe that it is not the old malady of preceding centuries but a comparatively simple pleuropneumonia which in France, at last, is successfully treated by the cattle doctor. Their alleged reason for this belief is that infants of from two to eight months fed upon the milk afterwards shown to have been infected have died of well defined typhoid fever—a reasonable result of *pleuropneumonia* in the milch cattle which alone are the victims of the present scourge whereas in former cases the sickness attacked other kinds of cattle and spared the human race. If this be true, abstaining from the use of suspicious milk would secure from the direct effects of the pestilence those who have hitherto made it a portion of their diet; and treatment for the ordinary sickness named would restore the cattle.

COFFEE.

A recent author gives a very learned account of the discovery of the coffee shrub "during the latter part of the seventeenth century," the whole of which is a myth, and was probably designed as a bit of humor, although it has been extensively copied as veritable history. It is true that Western Europe first became acquainted with this beverage at the date indicated. The earliest mention of its use in England which we can find is an account in 1652 of its preparation by Pasqua, a servant of one Daniel Edwards, formerly a Turkish merchant, who brought the berry and the art of cooking it from the land of his sojourn. It is said that Solomon Aga, the Turkish Ambassador, made its use known in Paris in 1669, but it was not until 1672 that the first coffee house was opened in that city. The shrub was first planted in Jamaica in 1732, but its early culture was much neglected.

We must go to Arabian records, however, for the history of coffee. There it was indigenous to the soil, and there it has ever been found in its highest perfection. The use of coffee in Arabia can be distinctly traced back to the middle of the fifteenth century. Among the Greeks and Romans it appeared to be unknown, and it was first introduced into Constantinople about 1554. The old manuscripts contain some very curious records of the strife amid which it won its way to public tolerance. The city of Aden boasted of setting the example of its public use about 1450; Mecca and Medina followed, although not without great opposition from the religious authorities. The Koran forbids the use of intoxicating beverages, and coffee was supposed to belong to the inhibited class. In 1500 it became popular in Grand Cairo, when its use was fiercely assailed by the sterner adherents to the Moslem faith. Abdalla Ibrahim in 1523 publicly denounced it, and its friends and foes disputed the question so tenaciously, that at last they came to blows, and a stormy riot was the result. The beverage maintained its ground, however, and its constant use having dispelled the illusion concerning its inebriating qualities, it was quietly tolerated for a while, and ultimately came to be universally esteemed as an innocent and healthful refreshment. A manuscript more recently discovered, and now in the royal library at Paris, ascribes the discovery of coffee to Dhabani, a celebrated scholar in Arabia Felix, in 870 of the Hegira, but this was more than forty years after its common use in the city of Aden.

The coffee tree is an evergreen shrub, varying in height from 8 to 20 feet, and is grown from the seed. After it is two years old it commences to bear, producing a purple berry of an oval shape, about the size of a common cherry. This berry has the seed at the core in separate cells, and these seeds are the coffee bean as it comes to market.

The English have never been large consumers of coffee, tea and beer having had the preference for a century. Germany is first in the list of consumers, and the United States stands next on the roll. The French of Paris and the large cities are great coffee drinkers, but the light wines form a cheaper substitute in the provinces. The total annual product of the world is set down, in a recent circular, at an average of about six hundred and seventy-two million pounds, or say three hundred thousand tons. Half of this is produced in Brazil, where the tree grows far more luxuriantly and bears more heavily than in its early Eastern home. The increased product, however, brings with it a rankness of flavor which makes the Rio least favored by persons of delicate taste. About 50,000 tons comes from Java and Sumatra, 30,000 tons from Ceylon, 25,000 tons from St. Domingo, and the remainder from a variety of other countries or islands in or near the torrid zone. The consumption has been estimated by Mr. Moring at 23½ per cent for the German Zollverein, 18½ per cent for the United States, 14½ per cent for Holland and Belgium, 10½ per cent for France, 8 per cent for Austria, 7½ per cent for Southern Europe, 7½ per cent also for Northern Europe, 5½ per cent for Great Britain, and 5 per cent for all the rest of the world. We do not regard this as a very exact division, but it will answer very well to give a general idea of the distribution of that portion of the crop which is prepared for market.

In this country the Rio and other strongly flavored descriptions have been used at the West and some parts of the South, the more delicate kinds being reserved for epicures in all parts of the country, chiefly at the North and East. The high prices brought about by a heavy import duty, and the depreciation of the currency, have greatly increased the tendency to adulteration, and this has been facilitated to an alarming extent by the large sales in a "prepared" state and the gross carelessness of purchasers. Of course, to purchase coffee roasted and ground is to invite adulteration, and manufacturers are not slow to avail themselves of this privilege. If only chicory, roasted peas, and other comparatively innocent substances were used in this mixture, the fraud would not be so reprehensible; but we have reason to believe that a large portion of the adulterants are much less innocuous. In 1862-63 the official record of coffee imports into the United States was 80,461,614 pounds, costing abroad in gold \$10,395,860, while 10,641,350 pounds of chicory were landed at a cost of \$305,983. Some of this so-called chicory we tested, and found it altogether spurious, plausible flavor having been imparted to it by a solution of licorice paste mixed with some pungent spices. Even if we return to lower prices for coffee, the lazy habits of American housekeepers will still encourage the sale of ground coffee without examination, thus inviting adulteration, and driving the honest roasters altogether from the trade.

But perhaps the most audacious exploit of the coffee merchant is one of late date. It is well known that the United States government supplied its soldiers in the field, during the late war, with the finest of coffee; while to the citizen was left the commonest trash at the highest figure. Under these circumstances a firm in New York, prompted, no doubt, by humanitarian feelings, undertook to revamp the grounds left from the camp-kettles, *by drying and mixing*, hundreds of barrels of which were returned to New York and sold as extra Rio to the great satisfaction of our citizens.

CATTLE YARDS OF CHICAGO.

In order to accommodate the immense amount of live-stock brought to the Chicago market the different railroad companies, as well as private individuals engaged in the trade, have found it necessary to construct, from time to time extensive cattle yards. These yards were necessarily scattered around and widely separated from each other, and very great inconvenience was occasioned thereby. Whenever a herd of cattle were to be transferred from one line of railway to another, they would have to be unloaded, driven through the streets perhaps several miles to the yards of the company over whose line they were to continue their journey, and then placed in other cars. Another evil of this system was that most of the yards were situated in or near the city, and were generally regarded as a nuisance by those residing in the vicinity. The increase of the cattle trade made it necessary that such arrangements should be made as to afford more convenience and less delay in the transshipment of cattle; accordingly a plan was proposed that all the railroads centering in Chicago should unite in building one mammoth stock yard, sufficient for the wants of all, and situated in such a place as could be easily reached by all the roads and by the

public, and at the same time be sufficiently remote from the city. This plan was at once acted upon, and all the railroad companies agreed to enter into the project. A company was organized with a capital of \$1,000,000, and in a short time all the stock was taken—the greater portion by the railroad companies, and the remainder by the leading cattle dealers and packers of Chicago. Immediately after being organized, the company purchased 345 acres of land, several miles from the city, and the work of building the yard was commenced about the first of June. Large drains six feet deep were dug, running north and south through the grounds, 150 feet from each other, and running into these from the east and west sides were numerous small drains two feet deep and 30 feet apart. After completing the draining, the whole yard was planked. This was done by placing large sills on the ground, putting joists over them, and nailing on these joists heavy pine plank. After the planking, which extends throughout the whole yard, the place was surveyed out into blocks, and then divided into pens. These pens vary in size from 20 feet by 35 feet to 85 feet by 112, and in capacity from one to 13 car loads. They are so arranged, however, that at any time two, three or four of the pens can be thrown into one. There are in all 500 pens, and they are all numbered so that they can be easily found. The pens for cattle are open on top, while those for hogs are covered with shed-roofing. The place is divided into streets and alleys cutting each other at right angles. Each of these streets is designated by some particular number or letter, and vary in width from 33 to 75 feet. The alleys are from 16 to 24 feet wide. At the entrance to every pen there are two gates, which when open swing right across the street, and thus stop up the thoroughfare, so that when the cattle come to it they cannot go further on, and being unable to turn back must pass into the pen. The gate is then closed and they are safe. Around the whole 345 acres there will be a high board fence.

Through every stall runs a two-inch iron pipe connecting with a four-inch pipe running through the ground at the depth of over two feet. These pipes will conduct water for the use of the stock into every part of the yard, all the drovers need do is to turn on the water, and it flows into troughs in any required quantity. When finished, there will be more than six miles of the water pipes running through the yards. It is estimated that there will be over 500,000 gallons of water used around the place daily, and where the supply is to come from has not yet been determined. A well has been dug, and, at the depth of seventy feet, a fine spring was struck, which flowed so rapidly that the workmen experienced some difficulty in escaping with safety. A very large quantity is now used from this well, and yet the supply continues as great as ever. The company are in hopes of being able to obtain a sufficiency of water for all purposes from several of these wells, and they are now having two made.

On two sides, the east and west, numerous railway tracks are laid down for the accommodation of all railroads centering in Chicago. There are nine railroads interested in the undertaking, each of which has 1,000 feet of track for its own particular use.

In connection with this immense cattle yard, there will be erected a very large hotel, sufficient to accommodate several hundred persons; a bank and ex-

change building, at which all the financial business of the yards will be transacted. Other buildings, consisting of stables, stores, workshops, and dwellings are also being erected by the company in the vicinity of the yard. The work at present in hand will cost about \$500,000, but what the ultimate cost will be the company themselves cannot estimate.

NON-OCCUPATION VITIATES INSURANCE.

THE Supreme Court of Massachusetts has just made a decision of much importance to the insured. It is, that when a policy of insurance contains a clause to the effect that if the building insured is unoccupied for any time, without notice to the office, the policy is void; the building must actually be in use during that time; it is not sufficient that everything remains in readiness for use and occupancy, and it is visited every day. The case that brought out this decision was the suit of one Keith vs. the Quincy Mutual Insurance Company, to recover the insurance on a trip-hammer-shop, destroyed by fire.

The building, which was connected with other shops, was unused, sometimes for months, though it was always kept ready for service and was visited every day to see that everything was straight. But the Judge ruled that this was not enough to constitute occupancy, and if the building had remained without any practical use for thirty days—the time specified in the policy—it was really an unoccupied building for that time, and the policy became void; and the full bench have sustained that ruling. In this case it was the renewal of an old policy that had no such clause in the original, and the plaintiff testified that he did not know that the clause was in the new policy; but his ignorance made no difference in the decision.

In this view of the case, there are a great many unoccupied buildings, and a large number of insurance policies are voided, if they have a clause compelling the occupancy of buildings all the time, without notice is given to the contrary. People who leave their houses for a month or two in the Summer, though they may, perhaps, be visited every day, are liable, under this ruling, to lose their insurance if the house should be destroyed by fire; and the same is true of an unoccupied office or shop. It is important, at all events, that people who have their buildings insured should know exactly what their policies require, or they may become liable at any time to lose their insurance in case of fire, through some trifling, perhaps merely technical, violation of the terms imposed by the insurance companies.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

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**MARCH, 1866.**  
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THE REHABILITATION OF THE SOUTH.

The question of the admission of the Southern delegations to Congress appears to be still the only subject discussed in our Legislative Halls at Washington. President Johnson also has, during the month, been visited by numerous delegations, and his opinions, with regard to the reorganization of the South, have been fully made known. Among others a Committee from the Senate and House of Delegates of Virginia, presented to the President a series of resolutions adopted by the General Assembly of that State on this subject. In reply, Mr. Johnson reiterated the principles which have actuated his course, and gave further reasons for the policy adopted. After setting forth the position which he had taken during the recent civil war, he said:

"I am gratified to meet you to-day, expressing the principles and enunciating the sentiments to which you have given utterance. I have no doubt that your intention is to carry out and comply with every principle laid down in the resolutions which you have submitted. I know that some of you are distrustful; but I am of those who have confidence in the judgment, in the integrity, in the intelligence, and in the virtue of the great mass of the American people, and having such confidence, I am willing to trust them; and I thank God that we have not yet reached that point where we have lost all confidence in each other. The spirit of the Government can only be preserved, we can only become prosperous and great as a people by mutual forbearance and confidence. Upon that faith and confidence alone can the Government be successfully carried on."

In these words of Mr. Johnson is embraced the single idea upon which depends the great issue now before the nation—Shall we or shall we not, trust the South? The President holds to the doctrine so emphatically expressed in his letter to General Slocum that "the people must be trusted with their Government." He is a Southern man, born and bred among that people, and has shown his devotion to his government by the readiness with which he sided against the majority in his own State at a time when patriotism in Tennessee cost something. We should be inclined, therefore, to place great confidence in the President's views, and especially in this instance, when they are supported by the opinions of the leading military men who have had opportunities for judging. But

aside from the views of the President and others, we believe that every consideration of national interest and of national pride, require the prosecution of the more generous policy.

We do not impugn the motives of those who think differently. It is natural that men who have given their best exertions, their lives, and the lives of those dear to them, to maintain the integrity of the Republic, should require ample security against a repetition of the controversy. They apprehend the revival, under some form, of the doctrine of secession, and the continuance of laws oppressive to the race that the war has enfranchised. We are convinced, however, that such fears are groundless. The South staked their all on the issue of the war. They lost; and now the heresies which gave rise to it, no power on earth could vitalize. The Constitutional Amendment has also denationalized slavery, and the people and the States are showing, through their legislatures, and through private contracts with the freedmen, the good faith with which they accept the situation.

This frank avowal of Mr. Johnson will, therefore, we are persuaded, be accepted in the same spirit in which it was made. It is not by the holding of the conquered party to extravagant and humiliating conditions that the Union is to be established anew, that civil law is to be maintained in the Southern commonwealths, and their prosperity restored to its former condition. Enough that the majesty of the nation has been asserted, and the problem of secession has been determined by the arbitrament of war, that the social system of the South, which many regarded as the original source of the mischief, has been overturned. The time for peace has come, and the duty of the hour is restoration. The basis of this restoration must be mutual confidence, as the President has so clearly indicated. The Southern States must invite this by assuming a political attitude before the nation; the North, by cordial acceptance of their assurances.

The most important considerations of public interest demand this. When the war began, every one felt that the breaking up of the Union would involve the general disintegration of society, and endanger our national existence. The same feeling, rightly applied, must lead to the universal conviction that territorial dependence and military subjection of the Southern States, expose us to similar peril. We cannot safely permit a colonial system to grow up among us, tending as it does to concentrate power in the hands of the Executive, and to enlarge it even to the dimensions of imperialism. This was the real issue upon which our fathers fought in the revolution; and it is tangibly expressed in their watchword, the reason why John Hampden refused to pay ship-money,—“No taxation without representation.” Till our Southern States are permitted to have their Senators and Representatives in Congress, they are but colonies of their sister commonwealths, and can have no joint interest in our great national system.

This disorganized condition is liable at any moment to operate unfavorably upon our foreign relations. We cannot press so boldly upon the British Government the settlement of the questions of international law arising out of the spoliations upon our commerce by privateers fitted out, manned and chartered in British ports; nor venture with proper assurance to demand the evacuation of Mexico. The general lawlessness ex-

isting in that Republic, and the weakness of the acknowledged Govern-
ment, afford to Maximilian and his Gallican sponsor a pretext for their
armed occupation almost as good as our own for military subjection of
two-thirds of our own territory. So long as this state of affairs remains,
the possession of that territory is a source of relative national weakness.
Every foreign statesman knows this, and the diplomatic correspondence
of Messrs. Seward and Adams cannot disprove so palpable a fact. It has
been the great difficulty in our foreign intercourse; and we appreciate the
feelings of the President when he declares that—

“The moment it can be announced that the Union of the States is again com-
plete, that we have resumed our career of prosperity and greatness, at that very
instant almost all our foreign difficulties will be settled. For there is no power on
earth which will care to have a controversy or a rupture with the Government of the
United States, under such circumstances.”

We wish most earnestly that Congress could take as broad and just a
view of this question.

But most of all it is necessary to the prosperity of the country that this
policy should be speedily put into operation. The vast region lately over-
run by war was the garden of the Republic, and furnished to our export
trade the staples which gave us our commercial preponderance in the
markets of the world. In this connection the following table will be of
interest, showing the exports of cotton from the United States during the
last seven fiscal years, distinguishing the ports from which it was shipped,
and the countries of its destination. The figures for the year ending
June 30, 1856, we have obtained from the Treasury Department at Wash-
ington through the politeness of the Register; the figures for the other
years were also compiled from the records of that office.

COTTON EXPORTED FROM THE UNITED STATES.
[Expressed in Thousands of Pounds.]

	1858-59.	'59-60.	'60-61.	'61-62.	'62-63.	'63-64.	'64-65
Sea Island.....lbs.....	13,713	15,549	6,170	66	528	133	390
Other Cottons.....	1,372,755	1,752,087	301,346	4,998	10,857	11,861	8,564
Total.....lbs.....	1,386,468	1,767,636	307,516*	5,064	11,385	11,994	8,954
From Boston, Mass.....	2,752	3,103	12,850	173	174	101	9
New York, NY.....	70,323	103,341	110,769	4,827	9,168	9,648	5,956
Philadelphia, Pa.....	677	146	1,608	2	81	....	....
Baltimore, Md.....	10	111	1,703	....	....	....	....
Charleston, SC.....	136,793	157,343	39,652	....	....	....	....
Savannah, Ga.....	123,183	153,865	1,111	....	....	....	....
Mobile, Ala.....	250,220	351,541	37,202	....	....	....	....
Key West, Fla.....	656	3,349	1,169	....	....	....	....
Apalachicola, Fla.....	22,292	2,427	913	....	....	....	....
New Orleans.....	743,596	922,743	31,539	....	1,862	2,192	12,338
Texas (Galv'n &c).....	35,636	56,255	11,472	....	....	....	....
Salina, Tex.....	153	88	741	....	....	....	....
Other Ports.....	181	2,619	615	57	149	53	92
To Russia.....	43,619	21,698	4,251	....	....	....	....
Sweden & Norway.....	11,033	11,663	533,351	....	....	....	....
Hamburg.....	9,556	12,081	3,305	8	....	23	49
Bremen.....	55,125	53,639	8,585				
Holland.....	16,156	12,757	2,650	....	18	....	....
Belgium.....	14,328	14,800	5,682	....	....	....	....
England.....	909,572	1,244,028	198,931	3,545	9,840	9,651	7,290
Scotland.....	8,193	17,096	2,334				
Ireland.....	25,919	31,013	2,598				
France.....	186,490	280,384	54,717	23	1,267	1,777	1,276
Spain.....	60,523	44,022	11,155	583	....	....	....
Italy.....	21,488	27,013	11,696	844	....	59	....
Austria.....	16,556	7,471	....	....	....	....	....
Mexico.....	5,994	9,143	1,411	....	....	417	....
Other countries..	913	5,833	536	61	265	65	138

* As recorded without correction for the omission of actual exports for nearly three quarters
at the leading Southern ports. Including these the Treasury Department estimates the total
export at 1,750,000,000 pounds, valued at \$15,000,000.
† No returns from New Orleans for the quarter ending June 30, 1865.

In the year before the war, besides the production of manufactures to the value of over \$200,000,000, and the supply of raw material to New England and the North, the South sent to Europe cotton, tobacco, rice, &c., to the value of about \$210,000,000. Now that the incubus of slavery has been removed, there is every reason to expect the speedy restoration of that commerce and home production. Freedmen having an interest in the products of their industry, take the place of slaves, while mechanical ingenuity is set free to make agriculture more productive, and immigration is afforded a new and more attractive field. Mr. Johnson is amply warranted in his sanguine declaration that if all the States were restored, all the industrial pursuits and avocations of peace again resumed, the day could not be far distant when the United States would put into the commerce of the world cotton and tobacco to the value of \$250,000,000 to \$300,000,000. With such a result we would not long be compelled to see our bonds quoted in Europe at only about two-thirds their par value. Our men of business would not, as at present, be holding back from investment and active operations, for fear that they would be suddenly arrested in their progress by financial revolution. The population of the Southern States, inured by the experience of war to greater familiarity with practical life and activity, and possessing in their soil, their mines and climate, the elements of incalculable wealth, would soon divide with us the national burdens and aid us in increasing manifold the resources of our common country.

But, in order that we may develop the wealth of the South, all political questions must be settled, so that peace and security may become universal. The South has lost its capital, and has not of itself the ability to resume, on a large scale, the cultivation of cotton. At the same time, the means of transportation are greatly crippled, while the plantations have been devastated, so that gin-houses, machinery, agricultural implements, fences, &c., will have to be provided anew. How is the capital to be attracted that is to supply these necessary wants? Alone by ensuring large profits; and this can only be by encouraging, in every possible way, those attempting the cultivation of cotton in the South, and, above all, by giving to capital the security of a civil government. We have again the opportunity, and it brings with it the duty, to occupy the first place in the markets of the world. The same natural advantages we have always possessed remain to us, the same laboring population are there ready to engage in the culture, and with an interest in the result which must add largely to the profit of both the laborer and the employer. Besides, machinery can be used instead of old negro hoes to prepare the soil, and emigration from Europe will add largely to the volume of industry. If, therefore, we can encourage the production now, capital will be attracted to the South, the waste of the war will be supplied, and the future condition of our country cannot be doubtful.

It must be remembered too that this country has not the monopoly in cotton production which previous to the war many supposed it had. High prices have led to its cultivation elsewhere, and to-day the Egyptian staple commands a higher price than the American. Brazil and India have also furnished large supplies. It depends upon ourselves whether this will be continued until increased facilities in those new countries for producing and bringing to market this much needed staple, shall

enable them to compete with us. The following tables furnish at a glance the history of cotton the past few years. The first gives the imports, &c., from the United States separately, and the total from other sources during the last four years :

IMPORTS, STOCK AND CONSUMPTION OF COTTON IN EUROPE, 1862-65.
[Expressed in thousands of bales.]

	1862		1863		1864		1865	
	U. S.	Total.	U. S.	Total.	U. S.	Total.	U. S.	Total.
Stock, January 1.....	434,	883,	88,	507,	42,	364,	24,	648,
IMPORT—G. Britain.....	72,	1,445,	132,	1,932,	198,	2,587,	462,	2,755,
France.....	24,	225,	8,	315,	15,	429,	36,	560,
Holland.....	11,	74,	10,	136,	9,	119,	7,	101,
Belgium.....	1,	17,	..,	37,	1,	22,	6,	75,
Germany.....	5,	98,	11,	158,	6,	181,	12,	258,
Trieste.....	..,	32,	..,	26,	..,	28,	1,	56,
Genoa.....	1,	10,	1,	23,	..,	18,	..,	27,
Spain.....	18,	73,	6,	106,	12,	92,	6,	93,
	132,	1,974	168,	2,733,	241,	3,476,	530,	3,925,
Deduct intermediate shipments	38,	388,	19,	514,	21,	468,	37,	659,
	94,	1,586,	149,	2,219,	220,	3,008,	493,	3,266,
NEW SUPPLY.....	434,	883,	88,	507,	42,	364,	24,	648,
Add stock from above.....								
	528,	2,469,	227,	2,726,	262,	3,372,	517,	3,914,
TOTAL SUPPLY.....	88,	507,	42,	364,	24,	648,	155,	466,
Deduct stock Dec. 31,.....								
	440,	1,962,	185,	2,362,	238,	2,724,	362,	3,448,
TOTAL DELIVERIES,.....								

The following shows the amount (in thousands of bales reduced to an uniform weight of 400 pounds) supplied from the several producing countries, and the amount delivered for consumption in the years 1860 1863, '64, and '65 :

SUPPLIES AND CONSUMPTION OF COTTON IN EUROPE 1860 AND 1863-65.
[Expressed in thousands of bales of 400 pounds.]

	1860.		1863.		1864.		1865.	
	Imp.	Con.	Imp.	Con.	Imp.	Con.	Imp.	Con.
United States.....	3,551,	3,354,	164,	214,	241,	261,	522,	386,
Brazil.....	106,	125,	67,	80,	117,	113,	149,	140,
West Indies.....	47,	46,	36,	34,	40,	37,	84,	80,
East Indies.....	573,	524,	1,258,	1,317,	1,607,	1,372,	1,320,	1,626,
Mediterranean.....	158,	145,	472,	477,	650,	638,	837,	834,
	4,435,	4,224,	1,997,	2,122,	2,655,	2,421,	2,912,	3,066,
Total.....	571,	451,	826,	560,				
OLD STOCK.....								

These figures demonstrate the fact, that with cotton at the present high prices the sources of supply can be greatly multiplied ; yet with lower prices there is no prospect that any of the countries which have of late years become the dependence for European consumption will be able to keep up their unusual supply. In fact even now India, fearing the resumption of the cotton supply from America, has begun to turn its attention to the cultivation of other staples. In the Presidency of Madras there was on the 31st of October only 931,727 acres of cotton under cultivation, whereas in the previous year there had been 1,663,300 acres, showing a decrease of 131,670 acres in one year. All that is necessary for us to do is to encourage the flow of capital south by taking away as soon as possible military rule and stimulating the production so that lower prices may drive out all competition.

Hence, we see that every consideration of national interest and public policy, requires the early rehabilitation of the Southern States and their restoration to the family of Union ; and the President's eagerness to lay aside the extraordinary powers which the exigencies of the war had con-

ferred upon him, affords the highest proof of his sincerity and patriotism. We want the aid of Southern statesmen to solve the problem of necessary legislation for the South, and it is damaging to the best interests of the country to dispense with it any longer; we want the moral influence of a united country in adjusting our foreign relations; and, perhaps more than all, we want capital attracted to the South, and its industry and wealth free to develop itself, and this cannot be, so long as the States are under semi-military rule.

RAILROAD ACCIDENTS IN OHIO AND OTHER STATES.

LEGISLATIVE ACTION DEMANDED.

BY JOHN HENDERSON.

The many fatal accidents that have occurred upon the railroads of the country during the past year or two have drawn public attention to the matter, and have created a lively apprehension on the part of the traveling community.

The public press, which has almost daily chronicled some "wholesale slaughter on the rail," has called loudly for legislative action, and we fairly expected that the subject of railway management would be one of the first to engage the early attention of the several Legislatures now in session.

While the States of New York, Massachusetts, Pennsylvania, Connecticut and Wisconsin, through their State officers, furnish annually full and complete statistics of the several railroad corporations of their respective States, our State, though second only to Pennsylvania in the number of miles in operation and capital invested, has no official data on which the Legislature can act intelligently on railway subjects.

Attempts have frequently been made by the Standing Committees on Railroads and by special committees of our General Assembly, to obtain information and statistics of the several railroad organizations of this State, but all their efforts proved abortive. Circulars were prepared, blanks gotten up, and appeals made to railroad officers for facts, but these were all unheeded, and these several committees were compelled to report to the Legislature their utter inability to obtain the desired information.

During the last session of the General Assembly, numerous petitions were presented, and a bill was introduced by the committee on railroads entitled "To regulate railroads, and render life and limb more secure to travellers thereon;" but this bill was, we believe, stifled in committee, and never reached either branch.

The State of Ohio now stands second in the number of miles of railroad in operation, and yet but few of these roads publish reports of their conditions or operations, and a majority of those which do publish reports, furnish as little information as they possibly can, and in such a shape as to, in some cases, mislead and blind stockholders and the public generally.

The railroad interests of Ohio are large, and second only to the agricultural, and it is certainly the duty of the Legislature to require all railroad corporations within the State, or whose lines enter it, to make uniform and printed reports annually of their financial standing, business operations, and the condition of their tracks, machinery, &c., not only for the

use of the Legislature, for the information of the public who travel over these lines, or who have invested in their securities, but for the benefit of the roads themselves.

A road that is properly managed and is in a sound financial condition, cannot certainly object to such publication, while, if the road is run down, its iron worn out, and its machinery used up, and it is financially embarrassed, it is due to those who travel over it, and trust their lives and property in the care of its managers and conductors, or who invest their means in its securities, that they should know its true condition.

The Legislature from whom these roads received the vast privileges they enjoy certainly has the power to compel this information to be furnished for the protection of the lives and property of its constituents, and it is equally certain that it is its duty to see that these reports are made annually to some State officer.

Not a session of the Legislature convenes but some road is on hand asking for some valuable privilege, and yet we venture to say that there is not an interest in the State of which there is less known, outside of its immediate managers, than the railroad interest.

Such a law should be carefully framed, so as not to impose onerous obligations upon railroad corporations; but this might easily be done, and the public interest be vitally subserved.

We have before us the printed reports of 21 railroad companies of Ohio for 1863, and of these not more than four or five furnish any information interesting to the general public, or give any correct insight into their actual condition.

During the past five or six years several of the roads in this State have been seriously embarrassed financially, but these are all availing themselves of the General Capitalization law, and are emerging from their difficulties, and are being placed upon a sound financial basis; but they are far from being safe so far as their track and bridges are concerned, and their machinery and stock are in a sadly dilapidated condition.

While these roads were thus embarrassed, they were, as a general thing, unwilling to make public their true condition. Others, again, while doing comparatively well, withheld all information from the public, to enable the managers to carry out some financial scheme, to which publicity might have proved fatal. This course has in some cases created the impression that the roads were running behind, and the holders of bonds and stocks have been induced to part with their securities at less than their real value.

In January, 1862, we compiled and published in the *Gazette* a statement of the then conditions of the railroads of Ohio, with comparative tables for a series of years. This was prepared from the printed reports of some of the roads, from the records of the Courts, when the roads were in the hands of receivers, and from the secretaries' books of those roads which furnished no printed reports.

When we came to the head of "casualties," we found it impossible to prepare any tables on the subject, or to give anything like a correct and full list of accidents resulting in death or injury to passengers, employees, or others.

During 1861 we found that 4,684,673 passengers had been carried on the railroads of Ohio. From the reports of about one-half the roads in

the State, and which include nearly all the important passenger lines, it appeared that during that year 21 persons were killed, of whom but one was a passenger, and he lost his life by stepping from a train while in motion. The others were either killed while walking on the track, crushed while coupling cars, or by falling from moving trains.

Not satisfied with our investigations on this point, we concluded to keep a watch of the city and country papers of the State for all notices of accidents during the year 1862, and we give below the result, showing the number of persons, whether passengers, employes, or others, who lost their lives on the road, within the State, for the year ending December 31st, 1862 :

It will be noticed that of the 123 deaths reported, 59 were caused by walking or lying on the track, or crossing in front of the locomotive. Soldiers and brakemen riding or standing on the top of cars and being struck by bridges, was another cause of many fatal accidents.

Of the total number of persons killed, 55 were railroad employes, of whom 26 were brakemen, and 18 were passengers, of whom 16 were soldiers.

The following is a classification of the causes of death :

Walking or lying on the track.....	59	Train thrown off track.....	3
Explosion	5	Getting on train in motion.....	4
Struck by bridges.....	11	Car broke d. wn.....	1
Collisions ...	3	Fell from trains.....	10
Cars thrown off the track.....	5	Run over while switching.....	4
Passing from one car to another.....	7	Jumping off train in motion.....	3
Coupling cars.....	8		
Total			123

The following will show what employes and others were killed :

Brakemen	26	Car repairer.....	1
Engineers	3	Laborers	10
Firemen.....	5	Soldiers	16
Switchmen.....	3	Farmers.....	7
Conductors	3	Women	4
Yardmaster.....	1	Merchants	12
Roadmaster.....	1	Mechanics	11
Division men....	2	Unknown....	18

Total 123

This list is correct so far as it goes, but it is probable that omissions have occurred which might increase the total number killed to 140.

This statement, it will be seen, simply gives the number of deaths that have occurred during the year, while no mention is made of casualties in which injuries have been sustained not resulting in death, at least at the time of the accident.

On examing the printed reports of 22 railroad companies for this year, we find that but eight roads make any allusion to accidents ; and that while, according to our figures (and we have the names, dates, and name of road), 123 persons lost their lives, these eight roads report as follows :

KILLED.			
Train thrown from track.....	2	Collisions ...	3
Walking on the track.....	18	Explosions....	2
Jumped from train.....	1	Fell from trains.....	2
Total killed....			23

Leaving 100 persons killed, according to our figures, of which no mention is made in their reports.

Out of 21 printed reports for 1863, now before us, 11 make no allusion whatever to accidents on their lines, and 10 report as follows:

Little Miami, & Columbus & Xenia —No passengers injured. Freight train thrown into a creek by washing away of culvert, killing engineer, fireman and brakeman. Five persons killed while walking on the track, two by jumping from trains in motion, and three crossing tracks in front of locomotive. Total, 13.

Cleveland, Columbus & Cincinnati.—Three persons killed while walking on the track. One employe killed by falling from a train, and two while coupling cars Total, 6.

Bellefontaine Line.—Two persons killed while attempting to get on trains while in motion. Others killed on the track. Total, 2.

Cincinnati, Hamilton & Dayton—Collision between two passenger trains. Five passengers killed, twenty-five injured. Total, 5.

Dayton & Michigan.—Collision between special passenger train and switching engine. Two soldiers killed and twenty-eight injured. Total, 2.

Cleveland & Toledo.—Train thrown from the track by misplacement of the switch. Brakeman and baggage master killed. Total, 2.

Sandusky, Dayton & Cincinnati.—No serious accidents to report, and none except those which seem unavoidable.

Cleveland & Pittsburg.—No casualty of any moment.

Marietta & Cincinnati.—No accident resulting in loss of life or injury to passengers.

Sandusky, Mansfield & Newark.—No injury to passengers.

The following is a summary of the fatal accidents *reported*:

Walking on the track.....	8	Train thrown from track.....	3
Collisions.....	6	Fell from train	1
Jumping from train.....	2	Coupling cars.....	2
Crossing in front of locomotives.....	5	Getting on train in motion.....	2
			29
Injured by collisions.....			68

These reports cannot be used as a basis to form any estimate of the number of persons killed or injured, on even these roads, for it is obvious that no record is kept, or at least published, of persons run over on the track, and that none but the most serious casualties are noticed.

The number of passengers carried on the railroads of Ohio during 1863 was 6,296,148, against 5,006,673 for 1862, and the increased number of irregular trains in Government employ render it certain that the number of fatal accidents in 1863 was fully 25 per cent. greater than in 1862, which would make the number killed 175 for that year. This, we are inclined to believe, is too low an estimate, but still we place the number at that figure to be within the mark.

For 1864, we have 23 printed reports of Ohio railroads before us. Of these, but six roads make any allusion to accidents. These six roads report 32 killed and 13 injured; and the number of passengers carried was 8,908,303.

The number of passengers carried on the railroads of Ohio during the past four years compare as follows:

1864.....	8,908,303	1862.....	5,006,355
1863.....	6,296,148	1861.....	4,684,678

From these figures it will be seen that travel in 1864 was nearly double what it was in 1861, and an increase of 73 per cent. over 1862.

The casualties for 1864 will show a much greater percentage of deaths and injuries to passengers than almost any former year, and this is to be accounted for partly by the largely increased travel, requiring special and extra trains, and to the lack of additional carefulness on the part of railroad employes, but chiefly, and we quote from the remarks of the late Gov. Brough, in his annual report to the stockholders of the Bellefontaine Railroad line in January, 1864 :

Our casualties to trains during the year are in excess of any former year. These arose principally from the fact that in the days of smaller income we wore our iron down too closely.

What Gov. Brough says of his road is equally true of nearly every road in the State, and it might be added : " And have failed, under largely increased incomes, to expend any portion of this increase in bringing up our tracks, bridges and machinery to the proper standard."

Another prominent railroad officer, in his annual report, says that " the two most important items wanted were upon track and bridges ; and, owing to the high price of material and the advance in labor, there was much less done than was anticipated."

Had we space and time to examine carefully the reports of the railroad companies of Ohio for 1863 and 1864, we think it could be shown conclusively that, with a few exceptions, nearly all the roads in the State have allowed their tracks and machinery to run down. They have all had more business than they could do satisfactorily, and their exertions have been mainly devoted to extending and increasing this business, while their earnings have gone to paying extra dividends, when they should have been appropriated toward keeping up the track and machinery, completing the fencing, renewing bridges, and in some cases building and extending double tracks.

The excuse for this neglect has been the scarcity of labor and the high price of material, but this excuse is no excuse while the life and property of those who patronize their lines are thus jeopardized.

The reports of the superintendents will show recommendations that so many tons of new or re-rolled iron are required to be laid ; so many thousand ties need renewing, and so many bridges should be rebuilt, to render the road safe, and lessen the expense of repairs to machinery ; but take up their reports for the succeeding year, and it will be seen how the recommendations have been neglected.

From the facts which we have given, it will be seen that the chief cause of deaths on Ohio railroads, previous to 1863, was from walking on the tracks and being run over by passing trains, and must be charged to the carelessness of the victims ; to the carelessness on the part of employes in coupling cars, switching, falling from trains when in motion, and getting on and off trains while under way.

When we look at the large number of persons who have travelled on Ohio railroads during the years previous to the war, it speaks well for the management of these roads in years past that so few lost their lives.

The records of 1863 and 1864, however, show a far different result. More accidents have occurred to passenger trains during these years, which have been charged to broken rails, frost, and the elements, resulting in greater loss of life and injury to persons than during the previous four

or five years together, and the cause is to be found in the dilapidated condition of the road bed, the rottenness of the ties, the iron being badly worn, the lack of care on the part of those in charge of trains, the disregard of all such safeguards as all well-managed roads ought to employ, and the necessity that has occurred in the movement of troops requiring extra and special trains out of regular card time.

So far as the matter of accidents on railroads is concerned, the Legislature might require all railroad companies to file annually with the Secretary of State a full statement of each case of loss of life or injury to passengers, employees or others, which would enable the Legislatures to judge what additional safeguards, if any, were necessary to secure greater safety to the lives and property of persons travelling over the roads of the State, but we think the time has arrived when the Legislature should go further, and require all railroad corporations within the State to file annually with some State officer such reports of their standing and conditions as are required of the railroads in New York, Massachusetts, Connecticut, Pennsylvania and Wisconsin.

The legislation regarding railroads seems to be more perfect in Connecticut than in either of the other States named. This State has a Board of Railroad Commissioners, whose duty it is to examine the condition of these roads, their tracks, bridges, switches, machinery, &c., and power is invested in this Board to enforce all proper requirements looking to the safety of the travelling public.

We are not advocating the appointment of any such Board by our Legislature, or of a commission even, but simply in view of the vast interests involved, and the evident necessity of some reform in railway management, we submit these facts to the attention of our Legislature, and ask from them a careful consideration.

Ohio has now 3,439 miles of railroad in operation within the State, having a capital invested of *eighty to eighty-five millions of dollars*, costing *one hundred and seventy-five millions of dollars*, and earning some *twenty to twenty-five millions of dollars* annually, and yet the Legislature to day has no information concerning this vast interest, nor can it procure it by a simple request.

We give below a summary of the reports of the several States in which railroad companies are required to file the same with the State officers, upon accidents, which may prove of interest in connection with what facts and statistics we are able to give of our own State.

CONNECTICUT.—The General Railroad Commissioners of Connecticut, in their Eleventh Annual Report to the Legislature, being for the year 1863, report as follows:

"The Commissioners during the year, and at different periods, have examined and carefully inspected all the railroads in the State, their track, bridges, switches, crossings, workshops and rolling stock, and have endeavored to fulfill all the duties which appertain to their appointment.

The Commissioners congratulate the Legislature and the public upon the generally healthful and prosperous condition of the roads in this State, as well as the safety in which they have been operated. The year now closing has not been marked by any serious disaster to their immense freight of human life and property. Their business has been generally conducted so as to meet the great purposes for which they were chartered, and the public have, as a rule, been both benefitted and accommodated.

It has been the purpose of your Commissioners to obtain from each of the compa-

nies as complete returns of their doings in all departments as it is possible to obtain, in order that both the Legislature and the public should be advised of their true position, that suitable legislation may be provided to protect both the State and the corporations. The Commissioners regret that in some instances failures in important items prevent them from making up such a general summary as is advisable to show the relative positions of particular roads, and their business, or the state of all of them for a series of years. This is in part owing to their connections with the railroads of other States, thus necessitating an incompleteness and delay in their returns. Our railroads form an important chapter in our history, other than merely financial, and it is believed by your Commissioners that the history of these enterprises should be as perfect and complete in itself as the nature of the case will admit of.

Personal safety has claimed the constant attention of the Commissioners. The system of safeguards adopted by law and by the experience of years, while it does not entirely prevent accidents, is still esteemed the best under the circumstances that can be applied to the present system of conducting railroads.

The Commissioners have, as far as possible, kept the system up to its former standard, and by personal inspection, satisfied themselves that all necessary signals and warnings have been in constant position and working at the points of danger upon all the roads.

Notwithstanding these precautions they have to report a slight increase in accidents resulting in deaths, over the previous year.

It affords the Commissioners great gratification, however, to state that in a transportation of almost four million passengers during the year, none have been subject to serious injury while riding in the cars.

Public road crossings, nearly one thousand of which are found in the State, are and have been esteemed great points of danger to life and property, requiring the utmost vigilance of railroad operatives, and the public who use these intersecting points of the railroad and the highway. But the system of "warning boards," placed in prominent positions, the sounding of the locomotive whistle before reaching them, and the alarm of the engine bell, have so far protected the public that your Commissioners have to report but two instances of casualties at these points of danger during the year.

The most prominent cause of disaster to life is found in the habit of walking upon the track of the roads, notwithstanding the knowledge of the danger and the repeated warnings which the reports of the Commissioners furnish. The table of accidents appended shows that in thirty-eight cases of fatality, twenty persons have been killed or injured by selecting these places of danger for travel or rest.

As these accidents, from a careful investigation, prove to be the result of carelessness on the part of the victims, your Commissioners cannot recommend any change in the law, which would prevent this exposure of life and personal safety, yet they cannot but express their deep desire that some more efficient means for preventing this yearly record of disasters from this cause might be discovered. Another fruitful source of accidents is found in jumping on and off the cars while they are in motion. The number of persons injured from this cause during the year has been fifteen, being an increase in this class of nine over the previous year. Five have fallen from trains in motion while occupying dangerous positions against the published warnings of the companies.

Intoxication is a prominent cause of disaster. Although the table shows but nine cases, yet it is to be remembered that only those instances of known and apparent intoxication are recorded as such. The number is probably much larger, but your Commissioners have hesitated to place any case under this head from probable evidence, and have only assigned this cause, when in their judgment the evidence has been clear and unmistakable as to the fact of intoxication.

Much credit is due the companies and those having charge of trains, for the care which has been exercised over the lines and the safety of the great number of persons who have been transported over the roads. The large number of soldiers, often requiring extra trains for their accommodation, has called for increased vigilance, which your commissioners are happy to report, has been appreciated and met by the companies.

The following table will show a classification of the accidents for the past year. It may not be improper to add in this place, that the whole number of persons in-

injured upon the railroads within the limits of Connecticut during the last ten years, is 325; of these were passengers, 26; employees, 69; insane, 10; children, 30; intoxicated persons, 71. Causes—Walking or lying on the track, 162; jumping on and off cars while in motion, 41; falling from cars, 15; at road crossings, 22. Of the whole number of these casualties 221 were fatal; not fatal, 107.

The largest number attended with fatal results in any one year are those of the year now closing. During this space of ten years there has been but one passenger life sacrificed while riding in the cars, although a few have been killed by jumping or falling from the trains while the same were in motion.

	1863.	1862.	1861.	1860.		1863.	1862.	1861.	1860.
Insane.....	1	2	1	—	Walking on track....	20	24	16	26
Passengers.....	2	5	5	5	Falling from train....	4	4	1	—
Employees.....	7	8	4	11	At crossing.....	2	—	6	6
Intoxicated.....	9	9	9	5	Not fatal.....	7	8	20	21
Children.....	4	4	4	6	Fatal.....	88	81	84	46
Jumping off or on cars..	15	6	1	4					

NEW YORK.—In 1850 the Legislature of New York enacted a law requiring all railroad companies in the State to file with the State Engineer by the 1st of December in each year statements of their condition and business operations for the fiscal year ending Sept. 30th, and it was made the duty of the State Engineer to make abstracts of these reports in consolidated form, and to lay the same before the Legislature on its assembling in January.

In 1854 this law was amended by providing for the appointment of a Board of Railroad Commissioners, consisting of the State Engineer, one commissioner to be selected by the railroad companies, and one to be appointed by the Governor.

These Commissioners held office two years, when, on their own recommendation, the law was repealed, and the law of 1850 was re-enacted. That law is still in force.

Under this law the State Engineer lays before the Legislature annually the reports of all the railroad companies of the State, with compilations of the same. But his reports contain no recommendations or suggestions to the Legislature; nor is it made his duty to visit or inspect any of the roads of the State.

The only object gained by the Legislature of New York through this law is uniform and full reports from all the railroad companies.

From the reports of the State Engineer for the past six years, we take the following figures, showing the number of persons carried on the railroads (steam) of the State, with the number of persons killed and injured:

Years.	No. Passengers.	Killed.	Inj'd.
1859	12,138,059	112	77
1860	9,305,978	143	71
1861	8,684,189	147	83
1862	8,707,789	141	84
1863	10,765,681	182	91
1864	14,192,056	285	181

PENNSYLVANIA.—In 1859 the Legislature of Pennsylvania passed a law requiring the railroads of that State to make uniform reports to the Auditor-General, whose duty it was made to furnish these reports, with condensed abstracts, to the Legislature on its assembling.

From the annual reports of the Auditor-General for the past five years, we take the following figures :

Years.	No. Passengers.	Killed.	Inj'd.
1860	5,726,597	...	...
1861	5,925,501	118	28
1862	7,057,805	175	29
1863	10,185,159	203	116
1864	14,252,218	225	136

MASSACHUSETTS.—Chapter 83 of the revised statutes of Massachusetts requires every corporation to submit its books to the inspection of any committee appointed by the Legislature. It also requires each company to furnish the Secretary of the Commonwealth with 1,000 copies of its annual reports, which are to be made according to blanks prepared by the Secretary and furnished to each company.

Section 133 of this law reads as follows :

The annual report shall also state whether any fatal accidents or serious injuries have occurred to a passenger or other person upon the road during the year covered by the report, and if so, the cause of such accident or injury, and the circumstances under which it occurred.

A penalty of \$50 for each day that the Company is behind in making its report is enforced, and a penalty of \$5,000 is collectable for refusal to report. It is made the duty of the Secretary to furnish each railroad company with a bound copy of the reports of all the companies in the State.

From the reports of the Secretary of the Commonwealth for the past six years, we take the following :

Years.	No. Passengers.	Killed.	Inj'd.
1859	1,956,666	52	28
1860	1,801,097	46	23
1861	11,252,621	48	24
1862	12,020,315	72	15
1863	14,043,554	75	35
1864	18,206,028	62	31

WISCONSIN.—The Secretary of State, in his annual report on railroads gives the following statistics of accidents in 1864 :

Year.	Passengers.	Killed.	Inj'd.
1864	1,992,893	35	16

CANADA.—During the year 1854 a number of very serious accidents occurred on the railroads of Canada, resulting in fearful loss of life. The matter was taken up by Parliament, and at its suggestion the Governor General appointed a Commission to examine into the causes of these numerous accidents, and to report on what means should be adopted to prevent their recurrence.

This Commission was in session several weeks, and took a mass of testimony, which, together with the report and recommendations of the Commission, were published by order of Parliament in 1855.

This report is too lengthy to admit of any comprehensive abstract here, but we might briefly state that it recommended the enactment of the British general railway act, and also the appointment of a Board of Railway Commissioners and of a Railroad Inspector, who was to be a professional civil engineer.

The recommendations contained 37 clauses, some of which were good, but, as a general thing, the whole were too cumbersome to be practically of any use.

GREAT BRITAIN.—The thorough system of inspection into the causes of all railroad accidents which occur in Great Britain, has enabled the Secretary of the Railway Department of the Board of Trade (Capt. Douglass Galton) to classify and arrange the accidents of the last year in a very striking manner.

Capt. Galton remarks :

From an examination of that table it appears that, out of 94 cases, 22 of them were attributable to purely accidental circumstances, but that in 10 only of these cases were accidental circumstances the sole cause of the accidents. The negligence of the employes entered into the cases of 36 accidents, but of these, negligence was the main cause of accident in only 16 cases. The remaining 68 accidents are chiefly attributable to defective arrangements, which may be classed as follows:

Defects in the construction of works or rolling stock ; insufficiency of accommodations, or of appliances for securing safety ; insufficient staff, and inadequacy in the system of working.

The following table, from the Report of the British Board of Trade, gives the number of killed and injured for six and a half years :

1857.....	776	1861.....	827
1858.....	446	1862.....	560
1859.....	384	1863—six months.....	169
1860.....	509		
Total.....			8,671

It is computed that about 1,000,000,000 passengers travelled on the English railways in that period, making the number injured average about one in 272,000. Many of these accidents could have been prevented. About two-thirds of them were from collisions, and the majority of the others from running off the track.

RAILROAD ACCIDENTS IN THE UNITED STATES FOR A SERIES OF YEARS.

The total number of casualties by railroad accidents in 1865 was 1,762, of which 335 resulted in death, and 1,427 in wounds. In 1864 the number of casualties was 1,890, viz.: killed, 404; wounded, 1,486—a decrease in 1865 of casualties, 128; deaths, 69; wounded, 59. These figures do not include accidents where no lives were lost, accidents to individuals which were caused by their own carelessness or design, or deaths or injuries resulting from the recklessness of persons in crossing or standing upon railroad tracks when trains were in motion.

The following table exhibits the number of railroad accidents, with the number of persons killed and injured by such casualties during the past thirteen years.

Years.	Accidents.	Killed.	Wounded.
1853.....	138	234	496
1854.....	198	186	589
1855.....	142	110	539
1856.....	143	105	629
1857.....	126	130	536
1858.....	83	119	417
1859.....	79	129	411
1860.....	74	57	315
1861.....	63	101	459
1862.....	99	264	877
1863.....	89	264	671
1864.....	140	404	1,486
1865.....	132	335	1,427

ERRORS OF THE MARINER'S COMPASS.

BY I. H. UPTON.

Very early after the discovery and use of the compass or magnetic needle, the practical experience of voyagers demonstrated that it is not always the infallible and true guide at first believed.

The variations of the needle from the true north, arising from general as well as local causes, have attracted the attention of the scientific and curious, and weakened the confidence of hardy mariners who have perilled their lives in an abiding faith of its accuracy. The distrust created in the mind of the seaman has not been removed by the dissemination of trustworthy information in a popular form calculated to reach and benefit those whose interests are most deeply involved. Efforts have been made by theorists (some of them speculative and very unsound) to advance their own ideas by patented inventions and otherwise; still it is doubtful if much good has resulted, if we except the labors which have been carried on since the introduction of iron as a material in shipbuilding.

The north pole of the earth, geographically, is the south pole of a magnet supposed to pass from pole to pole. It attracts the north pole of the needle in the mariner's compass, and, owing to the convexity of the earth causes what is known as the dip of the needle, by which the north end is deflected in northern latitudes, and the south end in southern latitudes. This influence extending to all the iron of which the ship is composed tends to give south polarity to the upper ends of iron, and consequently to attract the north pole of the needle while the ship is in north latitude. In south latitude all this is reversed, the upper ends of the iron of which the vessel is constructed acquiring north polarity, and attracting the south pole of the ship's needle.

The deviations resulting from these causes are governed somewhat by the location of the compass. With the binnacle aft, the attraction will be towards the bow of the ship; with the binnacle placed forward, the attraction will be towards the stern. Thus a vessel in north latitude (excluding other causes), with the binnacle aft and steering east, would have the north pole of the needle deflected to the eastward, and, if steering east by compass, would be making a course south of the true east. If steering west, the needle would be deflected to the west, and the course made would be south of the true west. In south latitude, the magnetic influence is reversed, and a vessel steering east or west by compass would make a course north of the true east or west, as the case may be. The attraction, when steering north or south, being in a line with the vessel's keel, would not cause a material deviation, but, as it would vary at all the intermediate points of the compass, it should be the subject of careful observation by the intelligent commander.

To most persons it probably seems to be necessary to direct attention to the ship's compasses only when the vessel has reached her completion or is about to encounter the perils of navigation. Recent experiments, however, show the importance of careful observation from the laying of the keel—for not only the position in which the vessel is built, but the density of the iron, and even the amount of hammering, are points which may control the direction of the needle, and have effect upon the compass.

Soft iron acquires magnetic properties with great facility, and parts with them as readily; while hard iron, by hammering, may acquire a polarity which it does not readily part with. The influence of the position in which a vessel is built is not confined to iron vessels, for wooden ones thus acquire a magnetism of their own, which frequently is not wholly lost until after numerous voyages. The loss of some vessels on their first voyage may have resulted from the unknown quantity of this disturbance.

It will be seen that the influences operating upon the needle within the vessel are varied by latitude and the direction or course made. The relative position of the mass of matter composing the vessel has an important bearing. Thus a ship heeled to port would in north latitude have the needle deflected to the starboard, owing to the increased mass of matter brought into the line of attraction—the reverse occurring if she was heeled to starboard.

Two means have been chiefly adopted to correct the errors which may result from deviations of the needle. First, antagonizing the ascertained errors by compensating influences, in the shape of local magnets or masses of soft iron, so placed as to cause the needle to point correctly, or nearly so. Second, swinging the vessel in a position remote from extraneous influences, and carefully noting the deviations on each point of the compass, which, noted and compiled in a table of corrections, enable the master to calculate his true course in much the same manner as he calculates time by his chronometer, knowing the rate.

Of the merits of the two systems we make no comparison, for while either may afford correct indications at the place where the vessel is swung, both are subject to be controlled by magnetic influences of so varying a nature as to debar us from placing implicit confidence in either. The tabular method may be the means of accumulating important data for future comparison, and were the corrections by compensation always arranged at the same place, and a careful record of each vessel kept, it would be the means of accumulating a store of facts for future use and reference.

Provision for a correct knowledge of the errors of the compass should begin with the shipbuilder, who may do much to neutralize the effects of inherent magnetism of vessels. It seems now to be demonstrated that vessels should be built, as far as practicable, with their sterns or bows to the south, and metallised in a reverse position. The binnacle should be remote from any upright masses of iron, masts or funnels, and not over horizontal beams of iron. The shipmaster should make himself familiar with the local causes of deviation of the needle; and, while using either the plan of compensation or of tabular corrections, should be constantly on the watch for the various counteracting influences to which his vessel may be exposed, by change of latitude, by proximity to coasts, by heeling to port or starboard, or by the influence of cargo having magnetic power.

Constant care and watchfulness is required of the intelligent commander in this as well as his other duties, and if in doubt as to his position, he should always head off shore until assured of his reckoning. The observance of this precaution would have saved a number of valuable vessels recently lost on our coasts, as well as many lives.

MERTHYR AND ITS IRON WORKS.

The mining districts of South Wales are situated in the midst of a number of valleys, stretching from the northern parts of Glamorganshire and Monmouthshire, in the north, to the Bristol Channel, in the south. The largest ironworks and collieries of Wales are, as a rule, to be found near the upper parts of these valleys, at distances of from 15 to 25 miles from the sea, and separated from each other by intervening ridges of hills. Thus, there are the Vale of Neath, the Aberdare Valley, the Merthyr Valley, Rhymney Valley, Ebbw Vale, and many others, all lying nearly parallel with each other, and opening in the direction of the sea. Railways or canals, or both, run down these valleys, in many instances amalgamating with each other as they reach the more level ground in the south, and they finally terminate either in Cardiff, Swansea, or Newport, the three great shipping ports of South Wales, Cardiff being the central and most important. A little of the traffic of the iron districts also finds outlets at Neath and Briton Ferry.

The largest and richest of the Welsh ironworks are at Merthyr, which lies at the head of the Taff Vale, and is connected with Swansea by the Vale of Neath branch of the Great Western Railway, the Glamorganshire Canal and the Taff Vale Railway uniting it with the port of Cardiff. Merthyr is rapidly increasing in population, and now ranks in the census returns next to Brighton. On both sides of the town high ranges of hills cut it off from the neighboring valleys of Aberdare and Rhymney; the sides of these hills are defaced by great heaps of refuse from the mines and works; railways and tramroads cut up the district in all directions, and rise one above the other at different levels on the sides of the mountains. Huge chimneys are seen belching forth smoke by day and fire by night; while in the buildings beneath them, swarthy beings toil amidst fires and furnaces, surrounded by ponderous masses of machinery. From the hilly nature of the country, and the large ironworks in the immediate neighborhood of the town, Merthyr by night presents a spectacle of fiery magnificence rarely if ever equalled.

The people who labor in this black and fiery region hold their lives on a somewhat precarious tenure, the returns of the Registrar-General showing that the mortality in the Welsh iron districts is greater than anywhere else in the United Kingdom. This is partly caused by the nature of the occupations of the inhabitants, partly by the extra liability to accidents, partly by want of drainage, and partly by drunkenness and want of cleanliness in a population continually increasing by new comers, who cannot find employment in Ireland or the Welsh agricultural districts. The wealth of Merthyr is derived from the three large works in the neighborhood: the Dowlais Ironworks, the largest in the world; the Cyfarthfa Works, the property of the Crawshay family, the "Iron Kings" of Wales; and the Plymouth and Penydarran Works, recently purchased by the Plymouth Iron Company.

The Glamorganshire Canal, by which route alone goods were once carried from Merthyr to Cardiff, is 25 miles in length, and was opened in 1798. It has a fall of from 500ft. to 600ft., has 40 locks, cost £100,000, and has a branch to Aberdare. The Taff Vale Railway, one of the best

paying lines in the kingdom, also runs from Merthyr to Cardiff, and was opened in May, 1841. As it passes through a very hilly country, it has plenty of heavy bridge work, and at Navigation Junction the trains have to be drawn, locomotives and all, up a steep incline by means of a stationary engine and ropes. At the present time some heavy work is being executed, whereby the gradient will be rendered less steep, and the stationary engine abolished. The broad gauge afterwards reached Merthyr by the Vale of Neath line in 1852, and within the last year or two railways from Abergavenny and Brecon have been constructed to within a few miles of Merthyr, their further progress being retarded by the difficulties and expenses of the route.

In former times, as at present, Merthyr was very unhealthy, and Dr. Wm. Kay, of Bristol, after making an official investigation of the subject, calculated that in 1851 the average age at death in Merthyr was 17½ years, being rather less than half the average length of life in the healthiest district in the kingdom. Typhus fever and cholera habitually made deadly ravages in the town, and as soon as the Public Health Act came into operation in 1850, it was found absolutely necessary to supply Merthyr and Dowlais with water. The works since constructed consist of the Pentwyn reservoir upon the river Taff Vechan, where it acts as a compensation reservoir for the ironmasters. It is about six miles from Merthyr, and contains, when full, 63,000,000 cubic feet of water, covering an area of 100 acres. The town is supplied with water direct from the river Taff Vechan above the reservoir, whence the water is delivered by 14in. pipes at Penbryn, about a mile from Merthyr, where depositing tanks, filter beds, and a covered reservoir are constructed. From this place the whole of Merthyr and Penydarren are supplied by gravitation, but for the upper part of Dowlais the water is pumped by two engines of 14-horse power each, made by the Vulcan Iron Company, Warrington, delivering it into a small covered reservoir at Dowlais. The total length of pipes of various sizes, from 14in. to 2in. in diameter, is 42 miles. The total cost of the whole of the reservoirs and works was £82,000.

At present there is a break at Merthyr between lines of railway that will in future more directly unite North and South Wales. The railways striving to enter Merthyr meet with great difficulties from the mountainous nature of the ground and general heavy expenses. The London and Northwestern Railway Company propounded a scheme last session to unite the Merthyr and Abergavenny line with the Vale of Neath Railway. For various commercial reasons this project has been abandoned. The plans included a very large and expensive viaduct, besides which the proposed line was forced to make an ascent of 700ft. in a distance, in a straight line, of a little more than two miles, an ascent which with difficulty could be overcome by gradients of 1 in 40. The Brecon and Merthyr Railway Company is now making the link which will supply North and South Wales with more direct communication than hitherto by means of the Cyfartha branch, which will connect the Vale of Neath and Taff Vale Railways with the Merthyr Railway. This branch, although a short one, is a very expensive length, and requires two noble stone bridges or viaducts, upwards of 100ft. in height, and consisting respectively of fifteen and seven arches of 40ft. span over the rivers Taff Vawr and Taff Vechan at Cefn and Pontsarn. Both bridges are built of the

limestone of the district, but are not yet quite finished. The contractors for the line are Messrs. Savin and Ward, who with Messrs. Watson & Co., and Messrs. Davies & Roberts, have within the last few years been covering Wales with railways in all directions, principally at their own expense. When the Cysarthfa branch of the Brecon and Merthyr Railway is finished it is almost certain that the London and Northwestern Railway Company will obtain running powers over it, whereby trains can come direct into Merthyr from Euston square, *via* Abergavenny.

Another great work of the future in Merthyr is the drainage of the town and district, which has not yet been commenced, notwithstanding the large population. The plans prepared by the town surveyor, and passed by the Government engineers and the Secretary of State, provide for the entire sewage of Merthyr and Dowlais, and for the disposal of the sewerage by irrigation in the surrounding country. These plans appear to be very complete, and include 10 miles of oval brick sewers of from 30in. to 50in. in diameter, and 19 miles of pipe sewers of from 9in. to 12in. in diameter. Flood outlets are projected for discharging any surplus of water in times of storms and heavy rains.

A new feature in the trade of Merthyr is that within the last few years the ironmasters have entered into the coal trade. Large quantities of coal are exported to all parts of the world by the Dowlais Iron Company, and Mr. R. T. Crawshay is making preparations to enter into a similar business. It is a curious fact as regards Merthyr, that although coal and iron are so plentiful on the spot, and the whole country is alive with locomotives and engines, all the best steam machinery connected with the ironworks is made at a distance and brought to Merthyr by rail. Neither are the smaller description of iron goods manufactured on the spot, and in many instances the identical iron made in Merthyr and sent to England has been traced back to Merthyr and South Wales in the shape of manufactured goods. The manufacture of nails, wheels, and axles, iron hurdles, and other iron goods in large demand in the surrounding country, is not carried on at all, or to any extent worth noticing, in the Welsh iron metropolis.

COMMERCIAL LAW.—NO. 31.

MARINE INSURANCE.

(Continued from page 115, vol. 54.)

Revocation of Abandonment.

AN acceptance of an abandonment makes it irrevocable, except with the consent of the insurers. But the insurers may assent; and the assured may, by his acts, revoke his abandonment, and then the insurers, by word or by their silence, assent. As if the ship be sold as a wreck, and the insured buys it himself, and treats it as his own, either by selling it as his own, or sending it on another voyage, if he had abandoned the ship, this would be a revocation of the abandonment.

It is a different question, whether subsequent events can have the effect of revocation, and make void an abandonment which was justified by facts and rightly made in point of form, at the time. The rule, we should say

was, that no subsequent events could thus annul an abandonment. But if, for example, a vessel is stranded and in a dangerous position, and the owner, hearing of it, abandons, and the next hour he hears of her safety, by reason of a favorable change of wind, or some unexpected deliverance, it may be said that he had not, in fact, a right of abandonment at the time he made it. The subsequent facts did not take the right away, but only proved that it never existed. This conclusion may seem to conflict with the rule that the right to abandon depends upon the appearance of things at the time; this is, however, their appearance when carefully and wisely considered; and such events would go to show that there had not been a careful and wise consideration of all facts and possibilities. For, if it was certainly justified at the time, and then well made, it cannot be in the power of any mere change of circumstances to annul it.

General Average.

The general principle upon which the universal rule of general average rests, is reasonable and just, and very simple.

The rule, as already stated in the chapter on the Law of Shipping, is this. If many interests or properties are in peril, and one or more of them are wholly or partially sacrificed for the purpose of saving the rest, all that is thereby saved must contribute towards indemnifying the owner of that which was sacrificed.

He is not to be indemnified in full; for then he would be better off than those who contribute; he would gain by the fact that, in a common peril, his property was selected to be made the price of the common safety. But there is no reason why he should gain; justice is perfectly satisfied if he is made to suffer no more than the rest do. And this end is attained by the law of general average, because it adds together the whole loss, and considers it the loss of all who were in peril and saved from peril by the loss, and therefore assesses the whole amount of the loss, ratably, upon the whole property that is saved; and in this way, every one interested loses an equal proportion of that which was successfully sacrificed for the common good.

This subject belongs primarily to the law of shipping, and comes within the scope of the law of insurance only when any of the property which is lost or saved is insured.

If an owner of property is insured, and other property is sacrificed to save the insured property from a peril common to it and to the sacrificed property, the insured property must pay such indemnity for the sacrificed property as will make them suffer alike. And the amount thus paid or contributed by the insured property is a loss by a sea peril, for which the insurers are liable.

On the one hand, the insurers of the sacrificed property are under an obligation to pay for the loss thus made or incurred voluntarily, because it was not only the right, but the duty, of the master and crew to destroy a part rather than let the whole perish. It was, therefore, a loss by a peril of the sea, although purposely caused for the benefit of others; and the insurers must pay for it.

On the other hand, the owners of the property sacrificed acquire by its sacrifice a claim for contribution and indemnity; and if the insurers pay them for their loss, they acquire their claim for contribution. And this

they take advantage of, in some cases, by deducting it from the amount they pay, and in other cases by first paying all the loss, and then collecting all the contribution for their own benefit. We have already seen that the insurers cannot deduct the contribution for the purpose of bringing the loss below 50 per cent., and thereby preventing an abandonment.

Partial Loss.

A partial loss is simply a loss of a part, and not of the whole. The principal questions relating to it arise out of the rule of one-third off, new for old, which has been already spoken of. We repeat the rule, with the reason of it. A ship sails to-day with new copper. Another sails with her copper nearly worn out. Both meet with peril which requires new coppering. The first is new coppered, and the insurers pay for it, and the insured gains nothing, because the copper on her was worth as much as it is now. The second is also coppered, and the insurers pay for it. But this ship gains nearly the whole value of the copper put on, because the old copper was worth very little. Now the whole purpose and principle of the law of insurance is to *indemnify* the insured, or make his loss good, and no more. Formerly they tried to do it by finding out in each case how much the old materials had lost of their value. But this was found so difficult that it was agreed upon by merchants and insurers to *average* all the cases, and consider that all old materials had lost one-third of their value. And the rule is found to work well in practice.

The first effect of this rule is, that the thing, or the part lost or injured, whether it be new or old, must be replaced or repaired in adaptation and conformity with the vessel, in the same way in which it would be if she were properly repaired at the owner's port, by his orders.

This third part is generally, and we think rightly, deducted from dockage, moving the ship, and similar expenses, provided they are incidental to the main purpose of repair.

Whether the value of the old materials should be deducted from the expense of repair, or from the amount for which the insurers are liable, *after* the the third "new for old" is taken off, may not be settled by authority; but we think the rule should be as follows. If a sea peril makes it necessary to recopper a vessel, and the cost will be \$9,000, and her old copper is worth \$3,000, we should say that this should be deducted, leaving \$6,000, for two-thirds of which only (\$4,000), one third being off, new for old, the insurers would be liable. The other way would be for the insurers to say: "We are liable for \$9,000 less one-third,—that is, for \$6,000,—and the old copper is ours by way of salvage; and as this is worth \$3,000, we are in fact liable only for the balance, or \$3,000." By this last rule, the insurers would pay \$1,000 less than by the first. The first rule, namely, that the old materials should *first* be deducted from the expense of repairs, and then one third be deducted from the balance, seems now to be established in New York and in Massachusetts.

If an owner effects insurance on a part only of the value of the property insured,—as if for \$5,000 on a ship valued at \$10,000,—he is insured for half, and is his own insurer for the other half, and he recovers in the same proportion from the insurers in case of a partial loss. Thus, if there be a partial loss of sails and rigging, or of repairs, amounting, after one-third is deducted, to \$2,000, one-half of this is the loss of the insurers, and they pay it to him, and one half is his own loss.

The insurer takes no part of the risk of the market, and his liability is the same whether that rises or falls, although this may make a great difference as to the amount lost by the insured. What goods have lost from their original invoice value, is the amount which the insurer pays. Thus, if he insures \$10,000 on goods of which that is the original value, and they are so far damaged by a sea peril that, at the port of discharge, they bring, or are worth, only half of what they would have brought if they had not been damaged, the insurers are liable for \$5,000, or that half, although the goods thus damaged may bring in the market of arrival the whole of their invoice cost, or more. And if they bring but a quarter of it, the insurers pay no more than one-half, because the rest of the loss is caused by the falling market.

If the goods have sustained damage or loss by leakage, or by breakage, or by natural decay, or from inherent defect in quality,—that is, not by a sea peril,—before the partial loss occurs, a proportional deduction should be made from the partial loss, as the insurers are liable only for the injury resulting from that loss, and not for any part of that which already existed when the loss took place, or which has occurred since from causes against which they did not insure.

Adjustment.

We have spoken of adjustment in the chapter on the Law of Shipping, and here add only, that an adjustment of an insurance loss, with all its incidents of general average, salvage, and the like, is usually made in all commercial cities by persons whose profession it is to make adjustments, and usually in a similar form, although the law prescribes no particular form or method.

They are instruments of much importance, because they generally are made, and ought always to be made, at the first port of discharge after the loss occurs; and an adjustment made there, in good faith, with a sufficient knowledge of the circumstances, and by persons properly employed to make it, is binding on all interests and parties.

If the insurers refuse to pay a loss, they waive all the adjustment, and the insured may present a new one, more favorable to themselves, if the law of insurance will sustain it.

Our policies commonly contain a provision that the loss shall be paid so many days after proof and adjustment of loss. But if the insurers refuse to pay, or dispute the claim, no other adjustment is necessary, either for trial, judgment, or execution, than that made by the jury.

If no repairs are actually made, but the loss which calls for repairs is to be adjusted, the third off, new for old, is to be deducted from the estimated cost of repair, in the same way in which it would have been from the actual cost.

The insurers may sometimes be liable for more than a total loss, as in some cases of contribution, for which they are liable, followed by a total loss, for which they are also liable; or where expenses were properly incurred by the insured, under the provisions of the policy, and a total loss occurs afterwards. We should say, also, that there might be a partial loss repaired and paid for by the insurers, and then a total loss under the same policy, for which they would be liable, without having the right of demanding a deduction or set-off of what they had paid on the partial loss.

Our policies provide, usually, that any unpaid premium, or other sums due from the insured, shall be deducted from the amount payable to the insured. Indeed, the common rules and practice of the law of set-off would lead to a similar result. But the right is limited to demands which the insurers have against the insured himself, and is not extended to those which they may have against the agent employed by the insured to effect the insurance. The premium note frequently expresses that the insured will pay, not only the premium, "but any premiums or balances due to the insurers," or uses other language to the same effect. Such a note is a valid contract, but, although made payable to order, it cannot be, on general principles, a negotiable note; and therefore an indorsee must, in most of our States, sue it in the name of the insurers, and in all be subject to equitable defences.

DEBT OF NORTH CAROLINA

The situation of North Carolina, though one of present embarrassment, cannot long remain so. With a population of one million of people, an area of about thirty millions of acres capable of raising crops of which the South has a monopoly, it must be apparent that, as soon as her labor system is reorganized and her banking and transportation facilities recuperated, taxes which now press heavily will be easily paid.

We are indebted to Mr. Battle, the Treasurer of North Carolina, for a statement of the debt and assets of the State from which we have compiled the following. The amount of the bonds issued previous to the act of secession May 20, 1861, was \$9,749,500, as given in detail below. On these securities there is now past due and unpaid coupons to the amount of about three million of dollars, which the Treasurer proposes to fund into 6 per cent bonds and which will make the total ante-war debt \$12,749,500.

For what purpose issued.	Principal.		Interest.		Amount out'g.
	Issued.	Due, now	When.	Where.	
Bank debts				E'gh.	\$58,000
F. & Wtn. Plank Road, reg'd.	'49-'53	'60-'72			120,000
Gaston & Weldon, R. R., etc.	'54-'55	'64-'65	Jan. & July	N. Y.	152,000
North Carolina, R. R.	'53-'55	'65-'65	Jan. & July	N. Y.	2,000,000
do do	1855	1865	Apr. & Oct.	N. Y.	1,000,000
F. & Centre Plank Road	'55-'58	'75-'78	Apr. & Oct.	N. Y.	31,000
do do	'56-'58	'78-'78	Jan. & July	N. Y.	19,000
F. & Warsaw Plank Road	'55-'57	'75-'77	Jan. & July	N. Y.	10,000
Tar River	1855	1865	Jan. & July	N. Y.	35,000
Insane Asylum	'56-'58	'68-'68	Jan. & July	N. Y.	100,000
do	1867	1887	Apr. & Oct.	N. Y.	15,000
do	1859	1869	Jan. & July	N. Y.	10,000
Atlantic & North Carolina R. R.	'55-'57	'86-'87	Jan. & July	N. Y.	1,000,000
do do do	1867	1887	Apr. & Oct.	N. Y.	400,000
Albemarle & Chesapeake Canal	'57-'59	'87-'89	Apr. & Oct.	N. Y.	350,000
Western R. R.	'59-'60	'80-'80	Apr. & Oct.	N. Y.	300,000
do do	1860	1880	Jan. & July	N. Y.	100,000
Western North Carolina R. R.	'55-'60	'85-'90	Jan. & July	N. Y.	530,000
do do do	'57-'60	'87-'90	Apr. & Oct.	N. Y.	600,000
Wilmington, Char. & Rth. R. R.	1860	1890	Jan. & July	N. Y.	400,000
do do do	'60-'61	'80-'81	Apr. & Oct.	N. Y.	600,000
Certain purposes	1859	1880	Jan. & July	N. Y.	72,100
do	1860	1870	Jan. & July	N. Y.	94,500
do	'59-'60	'80-'90	Jan. & July	N. Y.	714,500
do	1859	1889	Apr. & Oct.	N. Y.	473,400
Cape Fear & Deep River	1860	1890	Jan. & July	N. Y.	100,000
do do (see'd)	1855	1865	Jan. & July	N. Y.	100,000
do do (do)	1855	1875	Jan. & July	N. Y.	160,000
do do (do)	1855	1865	Jan. & July	N. Y.	100,000

Total issued before May 20, 1861. \$9,749,500

All of the above bear interest at the rate of 6 per cent per annum.

Against the above debt the State has assets as follows:

Stocks in R. R.'s, &c., viz:		
North Carolina Railroad.....		\$3,000,000
Raleigh & Gaston Railroad.....		682,500
Atlantic & North Carolina Railroad.....		1,066,000
Western North Carolina Railroad.....		1,418,000
Albemarle & Chesapeake Canal.....		850,000
Bonds in R. R. &c. viz:		
Raleigh & Gaston Railroad.....	\$20,000	
Wilmington, Charleston & Rath. Railroad.....	2,000,000	
Western (Coalfield) Railroad.....	600,000	
City of Raleigh.....	48,000	
Interest on these to January 1, 1866.....	207,623	
Balance due on bonds of Atlantic & North Carolina Railroad Company..	181,165	3,156,790
Total assets.....		\$9,673,290

If we deduct this amount from the debt of \$12,749,500 it leaves \$3,086,210 as the balance of State indebtedness. With regard to these assets the Treasurer states that although some of them are at present unproductive, yet he believes that under the revival of trade and travel they will to a great degree relieve the burden of the public debt.

The following is a list of six per cent bonds in aid of internal improvements issued by the State during the war which will probably be assumed by the new State Government as a part of the debt to be paid:

For what purpose issued.	Principal		Interest		Amount Outstand'g
	Issued.	Due.	When.	Where.	
Western Railroad.....	1861	1891	Ap. & Oct.	Raleigh	\$200,000
Western N. Carolina RR.....	1861	1891	Ap. & Oct.	Raleigh	220,000
Wilmington, Charleston & Ruth. RR.....	1862	1892	Jan. & Jly.	Raleigh	950,000
Chatham Railroad.....	1863	1883	Jan. & Jly.	Raleigh	249,000
Internal improvements bonds, &c.....					\$1,619,000

During the war the State also issued for other purposes the following:

For what purpose issued	Principal		Interest		Amount Outstand'g.
	Issued.	Due.	Rate.	When.	
Defense.....	1862	1892	6	Jan. & Jly.	\$ 136,500
Ways & Means*.....	1863	1893	6	Jan. & Jly.	6,941,500
Confederate Tax.....	1862	1892	8	Ma. & Sep.	1,264,500
Defense†.....	1862	1892	8	Ma. & Sep.	4,429,000
Total war debt.....					\$12,871,500

It is worthy of note that \$1,000,000 of the bonds marked *, and \$500,000 marked † were transmitted to Europe for hypothecation.

From the above, it appears that the position of the State finances is at present about as follows:

RECAPITULATION.

Old debt due and unpaid.....	\$ 364,000
“ not matured.....	9,325,500
Coupons past due and unpaid.....	2,000,000
Total ante-war debt.....	\$12,749,500
Add debt for internal improvement during the war.....	1,619,000
Total debt.....	\$14,368,000
Deduct assets.....	9,673,290
Balance.....	\$ 4,694,710

If, therefore, the Treasurer is correct in his belief with regard to the value of the above assets the burden of the debt will prove very light.

ANALYSES OF RAILROAD REPORTS. No. 6.

I. *New York & New Haven Railroad.*—II. *Hudson River Railroad.*—III. *Brie Railway.*

NEW YORK AND NEW HAVEN RAILROAD.

The New York and New Haven, in connection with the New York and Harlem Railroad, forms the only outlet from New York City eastward. Using that portion of the New York and Harlem from the city to Williamsbridge Junction about 15 miles—

—It extends thence to the depot at New Haven.....	\$1.13 mile
To which must be added for tracks connecting the main line with other roads coming into New Haven.....	1.12 "
Making the length of road owned by the company.....	63.95 mile
Second track and sidings.....	63.39 "
Total equivalent single track.....	125.07 mile

Of the line only 14.14 (double) miles are within the State of New York, the remainder, 48.11, (double and single) miles being in Connecticut. The company operate under lease the New Haven and Northampton Railroad, which hitherto has been operated at an annual loss, the amount of which has been paid from the earnings made by the New York and New Haven Railroad and, in the subjoined statements, appears as a charge against profits.

The New York and Harlem Railroad Company receive, for the use of their road between New York city and Williamsbridge Junction a share of the receipts from passengers and freights carried over in the rate being ascertained and fixed by agreement every succeeding fifth year.

As the main trunk, which receives all the lines from the east, the road has been a profitable line, and has always earned dividends. The losses on the Northampton lease, however, have on several occasions crippled the company's means, and eaten up what otherwise would have been divided to the stockholders. The company have also had to pay largely on account of the Norwalk Bridge accident, the total amount having been nearly \$400,000; and then again, the President and Transfer Agent in New York, in 1854, made an issue of fraudulent stock to the amount of \$2,100,000, for which the company has recently been adjudged liable and will pay by new issue of stock. Somewhat more than half the amount had been taken up by compromise at 50 per cent of par and paid for in stock before the judgment was pronounced. Still with all these drawbacks the earnings, if on the same proportional scale as of the past few years, will be sufficient to pay moderate dividends on the capital when enlarged to \$5,000,000 as proposed.

EQUIPMENT.

The *equipment or rolling-stock* owned by the company at the close

of each of the last ten fiscal years (September 30), has been as follows :

Fiscal Year.	Loco- motives.	—Cars (rated as 8 wheel).—			
		Pass.	Mail &c.	Frel'gt.	Total
1856.....	26	74	18	329	421
1857.....	27	73	19	333	426
1858.....	29	72	19	349	440
1859.....	29	74	19	349	442
1860.....	29	74	19	349	442
1861.....	32	74	19	349	443
1862.....	32	74	20	349	443
1863.....	37	83	23	369	475
1864.....	31	83	23	414	520
1865.....	34	85	23	409	517

BUSINESS OF THE LINE.

The mileage of trains, the number and mileage of passengers, and the tonnage and mileage of freight have been as follows :

Fiscal Year.	—Train Mileage—		—Passengers—		—Freight—	
	Passenger.	Freight.	Number.	Mileage.	Tons.	Mileage.
1856.....	391.077	84.616	1.053.914	39,522,454	81.834	4,232,744
1857.....	379.890	94.453	1.027.152	38,295,851	86.391	4,470,747
1858.....	353.414	78.610	958.819	32,908,956	64.058	3,715,864
1859.....	357.293	83.339	1.003.074	35,644,895	85.383	4,233,480
1860.....	379.194	99.274	1.091.807	37,897,502	78.691	3,909,502
1861.....	395.040	76.413	1.014.686	35,201,978	51.824	2,573,925
1862.....	420.967	84.023	1.047.947	37,279,444	70.782	3,652,168
1863.....	433.256	101.731	1.271.970	45,729,465	79.177	4,354,292
1864.....	502.374	103.737	1.709.618	63,802,669	114.357	6,201,438
1865.....	525.529	103.680	1.885.574	70,137,863	107.818	6,200,750

The following specifies the quantity of each description of freight (tons), carried over the road in each of the last nine years :

Fiscal Year.	—Products of—				Manu- factures.	Merchan- dize.	Other Articles.	Total Tons.
	Forest.	Animals.	Veg'ble Food.	Agri'ral Products.				
1857.....	1.156	2.822	1.340	1.390	39.049	40.063	1.068	86.891
1858.....	890	2.058	1.344	882	31.426	21.476	942	64.058
1859.....	423	6.340	1.606	7.016	33.03	35.933	762	85.868
1860.....	363	5.862	1.547	6.475	30.785	32.962	677	78.691
1861.....	251	3.250	1.003	4.387	19.123	22.732	478	51.824
1862.....	304	5.283	1.893	5.987	26.096	31.079	640	70.782
1863.....	340	5.933	1.578	6.734	29.303	34.835	454	79.177
1864.....	573	8.572	2.287	9.716	42.310	50.214	685	114.357
1865.....	487	8.103	2.051	9.088	40.160	47.331	598	107.818

REVENUE ACCOUNTS.

The gross earnings, operating expenses and profits from transportation yearly for the ten years ending September 30, 1865, were as follows :

Fiscal Year.	Gross Earnings				Operating Expense.	Profits or Revenue.
	Passenger.	Freight.	Other.	Total.		
1856.....	\$ 784,642	\$175,016	\$47,968	\$1,007,666	\$558,128	\$449,538
1857.....	804,268	196,529	56,358	1,057,155	575,553	481,602
1858.....	643,255	141,407	49,950	834,612	532,478	302,134
1859.....	749,543	187,919	54,892	992,404	550,469	441,935
1860.....	800,182	186,540	63,046	1,049,768	549,275	500,493
1861.....	726,287	129,339	64,479	920,155	544,439	375,716
1862.....	756,925	165,805	72,521	995,251	541,381	453,870
1863.....	1,080,434	187,904	80,331	1,298,589	609,265	689,324
1864.....	1,481,038	275,749	83,647	1,840,434	904,887	935,547
1865.....	1,725,184	316,835	99,878	2,141,897	1,544,721	497,176

The above profits were distributed as shown in the following statement :

Fiscal Year.	Harlem RR share of receipts.	Loss on N H and N R R.	Interest on Bonds.	Other pay- ments.	Dividends on Stock.	Carried to surplus.	Surplus Fund Sept 30.
1856.....	\$ 83,419	\$21,506	\$131,708	\$6,371	\$.....	\$206,534	\$206,534
1857.....	84,631	20,000	172,573	27,868	90,000	80,539	287,073
1858.....	75,024	23,000	142,640	8,063	.....	45,407	342,480
1859.....	82,761	32,883	142,585	.....	90,000	93,717	436,197
1860.....	87,951	16,291	14,195	.....	.....	251,056	687,253
1861.....	94,557	43,499	129,448	.....	180,000	.....	615,465
1862.....	97,951	23,842	125,820	.....	180,000	26,256	641,721
1863.....	112,746	19,629	129,120	.....	360,000	67,828	709,549
1864.....	144,143	21,716	129,120	.....	412,884	227,684	937,233
1865.....	187,654	42,076	129,120	.....	253,425	.....	922,134

GENERAL ACCOUNTS.

The financial condition of the company at the close of each fiscal year 1856-1865 both inclusive is shown in the following statement:

Fiscal Year.	Stock paid in.	Funded Debt.	Floating Debt.	Surplus Fund.	Total Amount.
1856.....	\$2,980,839	\$2,152,500	\$1,087	\$308,534	\$5,354,910
1857.....	2,980,839	2,152,500	153,740	297,072	5,584,151
1858.....	2,980,839	2,163,500	20,551	242,480	5,517,370
1859.....	2,980,839	2,163,500	21,152	436,197	5,601,688
1860.....	2,980,839	2,104,000	19,899	687,253	5,791,991
1861.....	2,980,839	1,800,000	23,630	615,465	5,509,934
1862.....	2,980,839	2,000,000	69,735	641,721	5,691,905
1863.....	2,980,839	2,000,000	121,223	709,721	5,811,883
1864.....	2,927,539	2,000,000	125,622	937,233	5,990,394
1865.....	2,800,429	2,000,000	125,622	923,184	5,849,235

Against which are charged as follows, viz.:

Fiscal Year.	Cost of road & Equipment.	CONSTRUCTION ACCOUNT Equipment on N.H. & N.R.R.	Fraud.	Total Charged.	Cash & other assets.
1856.....	\$4,972,789	\$30,619	\$137,528	\$5,170,936	\$179,974
1857.....	5,040,085	80,619	137,528	5,258,232	381,853
1858.....	5,108,889	80,619	137,528	5,326,936	191,853
1859.....	5,112,359	80,619	137,528	5,330,496	271,393
1860.....	5,168,187	80,619	137,528	5,386,334	407,656
1861.....	5,201,200	80,619	137,528	5,419,347	89,623
1862.....	5,201,576	80,619	137,528	5,419,723	71,167
1863.....	5,232,792	80,619	137,528	5,450,939	259,061
1864.....	5,337,072	80,619	137,528	5,555,219	57,161
1865.....	5,477,485	80,619	137,128	5,695,232	83,653

The funded debt of the company, amounting to \$2,000,000 as above, consists of two series of bonds, viz.:

6 per cent mortgage bonds—Interest April & Oct.—due Oct. 1, 1875.....	\$1,000,000
7 per cent plain bonds " " June & Dec.—due Dec. 1, 1868.....	\$1,000,000

The mortgage bonds are dated Oct. 1, 1855, and may be issued to the extent of \$3,000,000. The 7 per cent plain bonds were issued at various dates in 1852, 1853 and 1854.

The capital stock authorized by the company's charter was \$2,000,000 with authority to increase it to \$3,000,000. Under this authority the original amount of \$2,000,000 was increased by vote of the stockholders November 10, 1846 to \$2,500,000 and again by similar vote August 13, 1851, to \$3,000,000. The whole was subscribed but only \$2,930,839 paid in. The further increase to \$5,000,000 was authorized by special act of the legislature of Connecticut for the purpose of paying off the claims of the holders of the fraudulent stocks issued by Schuyler.

The Company include the Schuyler Fraud losses in the construction account. The first \$137,528 is covered up among "contingent expenses."

DEDUCTIONS.

The following table shows the cost of road and equipment per mile, the earnings, expenses and profits per mile, the relation of earnings to expenses and the rate of dividend paid in each of the ten years 1856-1865 both inclusive:

Fiscal Year.	Cost of road & equipment per mile.	—AMOUNT PER MILE— Gross earnings.	Operating expenses.	Revenue, Profits.	Exp. to earnings per ct.	Prof. to Div. per year.
1856.....	\$79,244	\$15,122	\$10,095	\$5,426	66.34	6.84
1857.....	80,658	16,914	10,569	6,355	62.44	7.87
1858.....	81,702	12,885	9,790	3,095	72.69	4.46
1859.....	81,797	15,078	10,131	4,947	63.01	7.97
1860.....	82,868	16,795	10,195	6,600	60.77	8.10
1861.....	83,291	14,723	10,222	4,501	69.50	4.19
1862.....	83,321	15,223	10,229	5,004	64.34	8.64
1863.....	83,741	20,777	11,552	9,225	53.70	11.02
1864.....	85,739	22,446	12,764	9,682	57.00	14.77
1865.....	87,640	24,970	24,715	2,255	72.12	11.12

In the last table the amounts paid to New York and Harlem Railroad Company have been considered as part of the operating expenses. In the "revenue accounts" previously given the form used by the company is adopted, and the payments considered a company's dividend on the capital invested in the portion of the road over which the New Haven trains are passed. The losses on the Northampton lease are against the company's profits, and not against the earnings of this road, and hence are not included as expenses.

The New York & New Haven Railroad Company was chartered under an act of the Legislature of Connecticut, passed June 20, 1844, and was organized May 19, 1846. In September, 1847, the construction of the road was commenced, and continued without interruption to its final completion, in January, 1849, when it was opened to the public. A second track was laid in 1853-4.

The portion of the road within the State of New York was authorized by the Legislature thereof in 1846. By an agreement with the New York & Harlem Company, made March 17, 1848, the New Haven Company was conceded the right to run their cars over the road, namely between Williamsbridge Junction and the city of New York. For this privilege the New Haven company pay a specific charge for passengers, and a *pro rata* charge for freight, the amount being subject to revision every five years. The payments under this contract have averaged \$105,084 for the past ten years—the lowest payment (in 1858) having been \$75,024, and the highest (in 1857) \$187,654.

In 1848 the Company contracted to lease, maintain, and operate that section of the New Haven & Northampton Railroad, (extending from New Haven to Plainville, 47 miles,) from the 1st July, 1849 to 1869, and pay as rent the sum of \$45,000 per annum. In 1850 another contract was entered into concerning the remainder of the same road to the Massachusetts line, (including its branches) in all about twenty-eight miles, for which the New Haven Company agreed to pay \$40,000 per annum. The loss on the latter contract has been very large, amounting in the last ten years to \$270,441, or an annual average of \$27,044. The portion of the Northampton line in Massachusetts was constructed by an independent company, but subsequently consolidated with the New Haven & Northampton Railroad. This also is operated by the New Haven Company. The connection between the New York & New Haven and the Hartford & New Haven Railroad Companies is based upon an agreement made April 30, 1849. Under this agreement the discontinuance of the day line of steamboats between New York and New Haven was effected, and the Hartford Company bound themselves to charge, on the night steamboats at least 50 cents less per passenger than the fare per passenger over the New York and New Haven Railroad. In consideration of these concessions, the Hartford Company were to receive from this Company \$20,000 annually for five years (half to be paid by the Connecticut Steamboat Company), and have the use of the Junction track and depot in New Haven, free of expense. A subsequent contract was entered into by the two companies having reference to the Northampton line, the New Haven Company agreeing to discountenance the construction of the road from the State line to Northampton, and the Hartford Company agreeing to pay as a conside-

ration for this service, \$12 000 a year, on account of the Northampton lease. This line, however, (as before stated) was built by another company.

The Norwalk Bridge accident and the Schuyler fraud have already been noticed as drawbacks to the Company's prosperity, and need not be further alluded to. Had it not been for these and the expensive contracts with the Northampton Company, no line of road in this country could have enjoyed a more continuous and absolute prosperity. Notwithstanding these drawbacks the Company has paid, since the opening of the road, 76 per cent. to the stockholders.

HUDSON RIVER RAILROAD.

The Hudson River Railroad, one of the most important roads leading out of the city of New York, follows the east bank of the Hudson River to East Albany—

—a distance of	144 miles
And is thence continued to Troy by the Troy and Greenbush Railroad a further distance of...	6 "
Making the whole line owned, leased, and operated by the company.....	150 miles
The length of second track and sidings is—	
On the Hudson River Railroad	128½
On the Troy and Greenbush Railroad	10—
Total equivalent single track ...	268½ miles

ROLLING STOCK.

The *rolling stock or equipment* of the road owned by the company at the close of each of the last ten fiscal years, (September 30,) is shown in the following statement :

Sept. 30th.	Loco- motives.	—Cars rated as 8-wheel.— Pass. Mail, &c. Freight. Tot.
1855.....	58	109 27 546
1856.....	57	107 30 514
1857.....	57	107 30 507
1858.....	57	107 31 511
1859.....	59	107 33 511
1860.....	61	117 35 553
1861.....	64	118 39 551
1862.....	66	118 37 575
1863.....	71	123 31 571
1864.....	75	127 33 711

BUSINESS OF THE LINE.

The mileage of trains, the number and mileage of passengers and the tons of freight and mileage thereof in the same years are given as follows :

Fiscal Years.	—Train Mileage.— Pas'gers. Freight.		—Passengers.— Number. Mileage.		—Freight— Tons. Miles.	
1855-56.....	509,545	834,136	1,577,321	57,267,949	165,312	20,116
1856-57.....	463,526	812,638	1,494,733	56,928,655	176,794	19,642
1857-58.....	416,354	783,960	1,415,379	56,653,109	160,197	18,411
1858-59.....	434,323	842,005	1,508,061	57,263,320	252,965	30,155
1859-60.....	540,329	436,726	1,637,651	66,851,910	377,363	40,157
1860-61.....	606,636	509,923	1,501,942	64,406,307	370,199	45,124
1861-62.....	575,104	577,441	1,456,403	61,977,103	512,740	60,376
1862-63.....	568,413	736,433	1,604,812	72,539,169	626,057	73,911
1863-64.....	628,826	652,812	2,017,848	93,453,821	601,434	72,721
1864-65.....	609,226	593,315	2,008,945	85,773,513	491,850	53,735

The following classifies the freight into the several descriptions carried—the quantities being given in tons :

Fiscal Years.	—Products of—		Veg'ble	Agricul.	Manu-	Merchan-	Other
	forest.	animals.	food.	products.	factures.	dise.	articles.
1855-56	2,743	49,405	26,183	9,334	26,818	24,189	16,640
1856-57	2,476	53,604	21,228	6,336	32,250	40,786	11,428
1857-58	2,443	59,780	17,274	9,403	2,966	32,299	13,006
1858-59	7,497	104,832	22,766	13,773	42,284	53,444	13,369
1859-60	8,093	124,224	36,389	15,784	66,106	68,672	18,584
1860-61	7,033	150,793	54,222	18,844	54,607	71,487	12,512
1861-62	7,104	231,895	61,257	33,211	68,900	93,109	15,224
1862-63	7,759	307,757	33,334	79,182	105,714	106,838	16,325
1863-64	12,042	237,901	41,241	63,416	114,165	107,344	20,715
1864-65	9,380	174,979	31,387	46,518	102,876	88,112	38,493

REVENUE ACCOUNTS.

The gross transportation earnings and expenses and the profits from operations in the same ten years were as follows

Fiscal Years.	GROSS EARNINGS				Operating Expenses	Prof. from Operat's.
	Passengers.	Freight.	Other.	Total.		
1855-56	\$1,144,873	\$790,695	\$118,814	\$1,934,382	\$1,239,573	\$694,809
1856-57	1,132,320	716,600	53,908	1,902,828	1,213,948	688,880
1857-58	1,042,866	493,728	49,177	1,585,771	1,041,773	543,998
1858-59	1,079,662	731,821	50,592	1,862,075	1,078,541	783,534
1859-60	1,144,939	843,328	54,412	2,042,679	1,269,024	773,655
1860-61	1,037,656	792,875	58,787	1,889,318	1,422,553	466,765
1861-62	1,202,684	1,469,119	58,580	2,730,383	1,367,575	1,362,808
1862-63	1,550,226	1,964,105	73,332	3,592,713	1,748,426	1,844,287
1863-64	1,921,277	2,134,669	68,336	4,124,282	2,545,307	1,578,975
1864-65	2,099,952	2,224,031	123,388	4,452,380	2,176,612	1,275,768

The profits from operations, as above given, were disbursed in the following manner :

Fiscal Years.	Interest on debt.	—Divid's on Stock—	Scrip	Carried to	Surplus
		Amount.	Rate,	surplus.	Sept. 30.
			issued.		
1855-56	\$651,315	\$.....	\$.....	\$66,722	\$116,542
1856-57	650,400	.....	.....	33,660	150,203
1857-58	634,969	.....	.....	.....	59,231
1858-59	647,700	.....	.....	135,833	195,064
1859-60	631,648	.....	.....	142,006	334,142
1860-61	695,548	.....	.....	.....	105,360
1861-62	65,016	.....	.....	705,792	811,152
1862-63	648,354	267,163	7.....	908,770	1,719,922
1863-64	594,438	499,287	8.....	441,800	1,763,322
1864-65	537,613	329,405	5.....	263,169	2,046,491

A further dividend of 3 per cent was paid on the 1st Oct., 1865, making 8 per cent for the year closing Sept. 30, 1865.

GENERAL ACCOUNTS.

The financial condition of the company at the close of each fiscal year from 1855-56 to 1864-65, both years inclusive, is shown in the following statement :

Sept. 30th.	Capital Stock.	Funded Debt.	Floating Debts.	Balance of Income.	Total Amount.
1856	\$3,758,466	\$8,842,000	\$399,311	\$116,542	\$13,116,319
1857	3,758,466	8,842,000	453,815	150,203	13,203,983
1858	3,758,466	8,842,000	455,003	59,231	13,112,700
1859	3,758,466	8,842,000	414,654	195,064	13,210,184
1860	3,758,466	9,107,000	182,106	334,142	13,381,714
1861	3,758,466	9,187,000	773,411	105,360	13,774,237
1862	3,758,466	9,137,000	293,424	811,152	14,005,042
1863	4,422,023	8,933,750	4,167	1,719,922	15,084,862
1864	6,218,042	7,737,680	1,167	1,763,322	15,720,211
1865	6,563,250	7,762,340	1,167	2,046,491	16,373,748

Against which are charged the following, viz.:

t.	Construction Account				All other prop' & assets
	Road, &c.	Equipm't.	Engin'g etc.	Total.	
.....	\$9,339,801	\$1,167,049	\$707,917	\$11,213,767	\$1,992,222
.....	9,392,740	1,162,869	707,917	11,263,526	1,992,222
.....	9,438,098	1,162,873	707,919	11,308,890	1,992,222
.....	9,497,968	1,162,873	707,904	11,368,745	1,992,222
.....	9,909,833	1,162,873	708,299	11,800,445	1,992,222
.....	10,001,916	1,240,445	708,299	12,049,660	1,992,222
.....	10,041,499	1,262,961	708,364	12,112,794	1,992,222
.....	10,432,881	1,474,597	708,908	12,615,386	2,467,555
.....	10,774,018	1,616,413	708,908	13,099,339	2,690,877
.....	11,015,898	1,898,284	708,908	13,623,090	2,879,677

The construction account is made up from the annual reports to the State Engineer, in which are omitted the amount of losses in negotiating bonds and loans, commissions paid, interest to stockholders during construction of the road, etc., prior to 1855. In the Treasurer's accounts these items amounting to \$1,570,514 are included under the heading of "Engineering and Agencies;" but in the form above, they are placed under the caption of "All other property and Assets," and ought to be deducted to get the real amounts representing the expenses not chargeable to construction.

DEDUCTIONS.

The following table shows the cost of and road equipment, and the earnings, expenses and profits per mile; the relation of earnings and expenses, and the ratio of profits to cost of road, etc.:

Mile	Cost of Road, &c. per mile.	Amount per mile			Expenses per cent. of earnings	Profits per cent. of cost
		Gross Earnings.	Operating Expenses.	Profit or Revenue.		
38.....	\$77,873	\$13,364	\$3,608	\$4,756	64.41	6.1
37.....	78,354	13,214	3,430	4,784	63.80	6.3
36.....	78,678	11,019	7,294	3,778	65.89	4.8
35.....	79,065	12,981	7,469	5,443	67.91	6.4
34.....	81,947	14,188	9,819	3,878	63.19	6.5
33.....	83,678	13,120	9,679	3,341	73.39	3.6
32.....	84,123	18,961	9,497	9,464	60.08	11.3
31.....	87,613	24,948	12,142	12,806	48.97	14.6
30.....	90,967	26,641	17,675	10,966	61.74	12.0
29.....	85,097	20,919	22,080	8,839	71.01	2.1

SALE PRICES AT NEW YORK STOCK EXCHANGE.

The following table shows the range of prices at which the Hudson River R.R. has sold in each month of the five last fiscal years:

Months.	1.	1861-62.	1862-63.	1863-64.	1864-65.
January.....	43%	117 1/2	117 1/2	131 @ 141 1/2	109 @ 115
February.....	0	2	2	131 @ 134 1/2	118 @ 117 1/2
March.....	5	3	3	119 1/2 @ 129 1/2	114 @ 115 1/2
April.....	1 1/2	3	3	129 1/2 @ 143	95 1/2 @ 115 1/2
May.....	3 1/2	3	3	129 @ 169	102 1/2 @ 117 1/2
June.....	7	3	3	148 1/2 @ 161 1/2	89 1/2 @ 118 1/2
July.....	1 1/2	3	3	120 @ 164	90 @ 115 1/2
August.....	1 1/2	3	3	122 @ 166	95 1/2 @ 117 1/2
September.....	1 1/2	4	4	123 @ 147	109 1/2 @ 109
October.....	3	4	4	120 @ 137 1/2	107 @ 116
November.....	1 1/2	4	4	125 @ 125	104 1/2 @ 113 1/2
December.....	6	3	3	107 @ 127 1/2	105 @ 111 1/2
Year.....	31 1/2 @ 64 1/2	22 1/2 @ 63 1/2	61 @ 120	107 @ 164	89 1/2 @ 117 1/2

The Hudson River Railroad Company was chartered by an act of the Legislature, passed May 12, 1846, and organized March 4, 1847. The first division of the road extending from New York city 53 miles north was placed under contract in July 1847, and to Poughkeepsie 20 miles further in April, 1849. The division north of Poughkeepsie to East Albany was let to the contractors in July, 1850. The work of construction was commenced soon after the lettings, and was so energetically carried forward that the whole line was completed and in operation before the close of 1851. The following statement will give the dates at which each section was formally opened to traffic; from New York city to Peekskill 43 miles, Sept. 29; from Peekskill to New Hamburg 21 miles, Dec. 6, and from New Hamburg to Poughkeepsie 9 miles, Dec. 31, 1849. The construction of the Northern division was commenced at East Albany, and carried on thence southward, having been completed from East Albany to Hudson 28 miles June 16; from Hudson to Oakhill 6 miles, July 7, from Oakhill to Tivoli 10 miles Aug. 4, and from Tivoli to Poughkeepsie 27 miles Oct. 3, 1851. The cost to this date had been about \$9,500,000. It has since been increased to upwards of \$15,000,000, or more than \$150,000 a mile. The Reading Railroad is the only other road in the country that has cost a larger sum per mile. The vast business of the line, however, warranted this expenditure, which has created a first class property, and, ultimately, a paying investment. No dividends were paid prior to 1863, the earnings having been directed to construction.

ERIE RAILWAY.

The Erie Railway consists of the under-named roads and branches, together making a total of 808 miles:

Roads owned by the Erie Company—		Miles.
Main Line.....	Piermont to Dunkirk.....	44½
Newburg Branch.....	Chester Junction to Newburg.....	19
Buffalo Branch.....	Hornellsville to Attica.....	60
Total length leased and operated.....		525
Roads leased by the Erie Company—		
Long Dock Tunnel.....	Long Dock to Bergen.....	3
Union {	Paterson & Hudson.....	Jersey City to Paterson.....miles 14
	Paterson & Ramapo.....	Paterson to State Line..... 14½
	Ramapo Union.....	State Line to Junction..... 0½
		29
Chemung.....	Elmira to Jefferson.....	18
Canandaigua & Elmira.....	Jefferson to Canandaigua.....	49
Hawley Branch.....	Lackawanna to Hawley.....	16
Total length leased and operated.....		115
The Company also lease and operate the following railroads, but their accounts are stated separately and apart from the statements which follow, viz:		
Buffalo, New York and Erie.....	Corning to Buffalo.....	miles 140
Rochester & Genesee Valley.....	Rochester to Mount Morris.....	18
		158
And operate (not under lease) the Warwick Valley Railroad, Chesterville to Warwick		10
Total length owned or leased and operated..		808

In operating these roads the Long Dock and Union Lines and the main Erie from Ramapo Junction to Dunkirk, together 460 miles, constitute the main line, and the eastern section of the Erie, from Ramapo to Piermont, 18 miles, is operated as a branch road.

On all the lines there are about 220 miles of second track and 160 miles of sidings, turnouts, etc.

EQUIPMENT.

The equipment or rolling stock owned by the Company at the close of the ten fiscal years ending September 30 was as shown in the annexed statement :

Sept. 30.	Loco- mives.	Cars—8 wheel cars—			Total
		Passenger.	Baggage.	Freight.	
1866	303	141	43	2,610	2,997
1867	310	139	40	2,730	3,179
1868	310	133	45	2,804	3,292
1869	319	149	45	2,763	3,226
1870	319	145	45	2,685	3,104
1871	230	142	44	2,650	2,966
1872	235	139	48	2,040	2,462
1873	242	143	46	2,319	2,750
1874	249	153	48	2,705	3,155
1875	319	180	48	5,181	8,428

BUSINESS OF THE ROAD.

The mileage of trains, the number and mileage of passengers, and the tons and mileage of freight for the same years were as follows :

Fiscal Years.	Train mileage—		Passenger—		Freight—	
	Passeng'r.	Freight.	Number.	Mileage.	Tons.	Mileage.
1865-66	1,329,531	1,863,608	1,124,383	101,108,230	938,230	183,488,044
1866-67	1,315,825	1,781,848	1,016,086	85,763,657	978,089	185,100,565
1867-68	1,216,378	1,784,991	793,062	64,931,456	816,964	165,895,433
1868-69	1,309,854	1,670,503	895,841	87,508,616	869,072	147,127,083
1869-70	1,230,953	2,370,734	941,534	56,537,070	1,139,554	214,084,393
1870-71	1,255,379	2,561,798	843,659	54,997,710	1,253,419	251,330,123
1871-72	1,174,843	3,409,531	859,303	54,617,685	1,631,933	351,097,213
1872-73	1,469,235	3,615,367	1,065,763	71,668,796	1,815,096	403,670,864
1873-74	1,534,449	4,234,330	1,633,371	114,933,935	2,170,798	423,013,644
1874-75	1,668,612	4,200,530	2,036,833	155,166,640	2,384,349	395,367,213

The following table exhibits the freight classified under its appropriate commercial heads—the quantities being given in tons :

Fiscal Years.	Products of—		Vegetable food.	Other agric'l prod'ts.	Manu- factures.	Mer- chan- dise.	Other articles.	Total tons.
	Forest.	Anim'l's.						
1865-66	118,878	1,009	143,243	13,556	110,769	153,473	212,009	593,227
1866-67	126,028	145,938	130,613	13,909	143,333	143,716	234,436	579,083
1867-68	92,550	178,076	154,534	10,893	88,976	126,709	163,324	516,966
1868-69	97,734	170,229	112,737	15,107	94,366	179,080	192,846	592,099
1869-70	118,690	201,123	197,233	19,240	113,946	198,610	289,141	1,138,583
1870-71	108,685	209,757	243,959	26,220	145,673	167,344	251,181	1,253,619
1871-72	99,677	259,715	261,834	41,067	206,909	230,499	470,264	1,672,965
1872-73	101,008	323,551	228,639	63,171	270,953	296,998	512,794	1,815,096
1873-74	104,069	220,723	215,966	260,909	113,681	362,767	699,670	2,170,798
1874-75	98,865	249,230	212,676	75,344	236,396	327,393	1,043,618	2,334,349

REVENUE ACCOUNTS.

The following statement gives the result of operations, since the reorganization of the company, for the years ending September 30 :

Receipts:	1862.	1863.	1864.	1875.
	\$1,096,197	\$1,670,083	\$2,822,005	\$4,450,716
Passenger	8,642,915	8,175,097	9,855,098	10,796,364
Freight	1,269		5,260	5,953
Storage	13,068	42,448	39,173	15,604
Telegraph	5,723		7,300	1,193
Lease	101,252	101,252	101,252	101,354
Leasing cars	1,967			
Interest	1,449		20,222	
Uncollected accounts		257,127		
Total receipts	\$7,663,972	\$10,346,117	\$12,551,489	\$25,300,578
Payments:	1862.	1863.	1864.	1875.
Transportation	\$4,231,304	\$5,704,305	\$7,346,360	\$10,817,180
Madison River ferry	95,836	105,718	151,773	165,709
Operating telegraph	41,893	46,893	68,808	117,019
Avonia ferry	24,965	27,227	41,280	31,167

<i>Payments:</i>	1862.	1863.	1864.	1865.
Hire of cars.....	8,018	17,103	58,485	69,709
U. S. taxes.....	74,220	155,653	150,740	427,991
Rents of railroads.....	238,309	244,650	739,063	569,495
	<u>\$4,870,431</u>	<u>\$6,902,225</u>	<u>\$9,057,754</u>	<u>\$12,200,281</u>
Interest on bonds, &c.....	1,577,980	1,406,510	1,237,603	1,279,783
Dividends on preferred stock.....	.....	725,475	590,897	507,168
Dividends on common stock ..	.....	400,872	1,090,136	1,246,104
Surplus.....	1,415,563	1,411,535	569,090	7,289
Total payments	\$7,863,978	\$10,246,117	\$12,551,480	\$15,300,575

The rate of dividends paid since the reorganization has been as follows:

Year ending Jan. 1, 1863.....	Preferred Stock..	5	—Common Stock..	4.
Half-year ending July 1, 1863.....	"	3½	"	3½
" Jan. 1, 1864.....	"	3½	"	4
" July 1, 1864 ..	"	3½	"	4
" Jan. 1, 1865.....	"	3½	"	4
" July 1, 1865	"	3½	"	4
" Jan. 1, 1866.....	"	3½	"	4

The only other dividend paid within the last ten years was one in 1857, when \$1,000,000, or 10 per cent in stock, was distributed, which raised the company's capital from \$10,000,000 to \$11,000,000.

The gross earnings, operating expenses, and net revenue or profits from operations annually for the ten years ending Sept. 30, 1865, are shown in the following table:

Fiscal years.	Gross Earnings				Operating expenses	Net rev'e or profits.
	Passenger.	Freight.	Other.	Total.		
1855-56.....	\$1,666,675	\$4,545,722	\$146,598	\$6,348,990	\$3,636,838	\$2,712,152
1856-57.....	1,495,861	4,097,610	149,635	5,742,606	4,285,847	1,457,259
1857-58.....	1,182,258	3,843,310	126,048	5,157,616	3,955,041	1,196,575
1858-59.....	1,154,083	3,108,218	132,197	4,394,528	3,174,865	1,219,663
1859-60.....	1,180,957	3,946,409	115,022	5,242,388	3,493,816	1,748,572
1860-61.....	1,136,046	4,375,568	103,416	5,615,030	3,759,035	1,855,995
1861-62.....	1,096,197	6,642,915	124,861	7,863,978	4,870,431	2,991,542
1862-63.....	1,670,083	8,432,284	143,800	10,246,117	6,302,225	3,943,892
1863-64.....	2,523,003	9,855,038	173,337	12,551,480	9,057,754	3,493,726
1864-65.....	4,450,210	10,726,264	124,101	15,300,575	12,200,281	3,100,294

The operating expenses, include rents of leased roads, ferry and telegraph expenses, insurance, taxes, etc.—everything payable before interest and dividend.

GENERAL ACCOUNTS.

The financial condition of the company at the close of each of the ten fiscal years ending September 30, is set forth in the following table:

Sept. 30th,	Stock paid in.	Funded debt.	Floating debt (net.)	Total amount.	Cost of road & eq'ipm't.
1856.....	\$10,000,000	\$24,891,000	\$991,067	\$35,882,067	\$35,058,255
1857.....	11,000,000	24,591,000	1,982,482	37,573,482	35,073,680
1858.....	11,000,000	26,438,016	732,258	38,170,274	35,098,633
1859.....	11,000,000	25,260,000	838,703	36,613,703	35,341,618
1860.....	11,000,000	26,351,000	2,725,620	40,076,620	35,574,172
1861.....	11,000,000	26,351,000	(Not stated.)		35,796,902
1862.....	19,973,200	19,831,500	430,665	40,235,365	39,985,202
1863.....	19,973,200	20,093,000	.....	40,076,200	39,828,680
1864.....	24,228,800	17,822,900	.....	42,051,700	40,954,463
1865.....	24,983,800	18,235,900	4,245,678	47,467,378	45,879,522

The cost of the property was reduced in 1863 by the sale of the Lake Erie propellers formerly run by the company.

DEDUCTIONS.

The following table shows the cost of road and equipments, earnings,

penses, and profits per mile; the relation of earnings and expenses, and the ratio of profits to cost of road, &c.:

Year.	Miles of road owned.	Cost of road, &c., per mile.	Amount per mile.			Expenses to earnings.	Profits to cost of road, &c.	Div. stock.
			Gross earnings.	Total expenses.	Net profits.			
1-56.....	465	\$75,394	\$13,653	\$7,321	\$5,832	57.29	7.73	all.
6-57.....	465	75,427	12,849	9,215	3,134	74.62	4.15	100.
7-58.....	465	75,489	11,079	8,505	2,574	78.76	3.41	all.
8-59.....	465	76,003	9,451	6,877	2,634	72.23	3.46	"
9-60.....	465	76,508	11,982	7,513	3,769	66.59	4.22	"
10-61.....	465	77,080	12,161	8,084	4,077	66.47	5.29	"
1-62.....	525	76,162	14,960	9,277	5,703	61.99	7.43	"
2-63.....	525	74,912	19,516	12,004	7,512	61.61	10.09	3 1/2
3-64.....	525	78,008	22,907	17,263	5,654	72.19	8.53	5
4-65.....	525	87,351	29,144	23,238	5,905	79.99	6.78	8

The mileage was increased in 1862 by the purchase of the Buffalo and New York City Railroad, 60 miles.

MARKET VALUE OF STOCK.

The following statement shows the lowest and highest prices of the company's stock at New York in each month of the last five years:

Months.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
October.....	27 1/2 @ 43	25 1/2 @ 34 1/2	106 1/2 @ 110 1/2	86 @ 90	
November.....	27 1/2 @ 44 1/2	29 1/2 @ 35 1/2	99 1/2 @ 110 1/2	93 1/2 @ 104 1/2	
December.....	24 @ 39	24 1/2 @ 33	104 1/2 @ 109	82 @ 96 1/2	
January.....	24 1/2 @ 40 1/2	31 1/2 @ 36 1/2	106 1/2 @ 112	65 1/2 @ 76 1/2	
February.....	20 @ 36	23 @ 35 1/2	107 @ 124 1/2	69 1/2 @ 77 1/2	
March.....	30 @ 35	24 1/2 @ 38	113 @ 126 1/2	45 @ 72	
April.....	17 @ 32 1/2	24 1/2 @ 37 1/2	107 @ 126	51 1/2 @ 54 1/2	
May.....	19 1/2 @ 33 1/2	25 1/2 @ 40 1/2	107 @ 117 1/2	70 1/2 @ 60 1/2	
June.....	21 @ 31 1/2	25 1/2 @ 39 1/2	110 1/2 @ 118	71 1/2 @ 78 1/2	
July.....	22 1/2 @ 39	32 @ 37	106 1/2 @ 116	78 1/2 @ 96	
August.....	24 1/2 @ 26 1/2	23 1/2 @ 39 1/2	108 1/2 @ 113 1/2	79 1/2 @ 92 1/2	
September.....	24 1/2 @ 26 1/2	20 1/2 @ 49 1/2	98 @ 109	66 1/2 @ 99 1/2	
Year.....	17 @ 43	24 1/2 @ 49 1/2	99 @ 123	98 @ 126 1/2	45 @ 104 1/2

The following exhibits the monthly range of the preferred stock created on the re-organization of the company in January, 1862:

Months.	1862.	1862-63.	1863-64.	1864-65.
October.....		80 @ 99	104 @ 105 1/2	100 @ 104
November.....		87 @ 92	99 1/2 @ 105	100 @ 106 1/2
December.....		90 1/2 @ 97	100 1/2 @ 108 1/2	99 1/2 @ 106
January.....	63 1/2 @ 58 1/2	97 @ 108	100 1/2 @ 104 1/2	90 @ 109 1/2
February.....	64 1/2 @ 59 1/2	99 @ 106 1/2	101 @ 109	90 @ 95 1/2
March.....	68 1/2 @ 62 1/2	93 1/2 @ 101 1/2	105 1/2 @ 115 1/2	70 @ 90
April.....	80 1/2 @ 62 1/2	96 @ 102 1/2	106 1/2 @ 116	75 1/2 @ 98
May.....	63 1/2 @ 67 1/2	101 1/2 @ 111	106 @ 109	83 @ 88
June.....	63 1/2 @ 67 1/2	100 1/2 @ 108 1/2	108 1/2 @ 112	84 @ 90
July.....	60 @ 64	100 1/2 @ 105 1/2	107 @ 115 1/2	86 @ 88
August.....	62 1/2 @ 69 1/2	102 1/2 @ 111 1/2	108 1/2 @ 112 1/2	80 @ 87
September.....	67 1/2 @ 83	102 @ 108 1/2	101 @ 109	81 1/2 @ 86 1/2
Year.....	62 1/2 @ 58	80 @ 111 1/2	99 1/2 @ 116	70 @ 106 1/2

The New York and Erie Railway Company was chartered April 24th, 1832, for the purpose of constructing a railroad from the Hudson River through the southern counties of Western New York, and as a counter-aid to the Erie Canals which accommodated the northern counties.

The work of construction was commenced on the Delaware Division, between the Delaware and Collicoon Creek, a length of 41 miles, and also the ten miles nearest Piermont, in 1836. To aid the work the Legislature, at its session in 1834, granted to the Company State credit to the amount of \$3,000,000, but on terms which rendered the grant nugatory, consequence of which, and of the commercial revulsion which followed, their operations were suspended for the next two years.

In 1838 the terms of the State loan were modified so as to allow the

Company to draw it in sums of \$100,000, provided that equal amounts should have been first paid in by the stockholders and expended on the road. In 1839 the unlet portion of the section between Piermont and Goshen was placed under contract, and in February, 1840, the Susquehanna Division, between Binghampton and Bonnellsville. A further modification in the terms of the State loan was also made in the latter year, under which the Company were empowered to draw \$100,000 for every \$50,000 of capital expended. Under this arrangement the balance of the loan was made available, and the work proceeded simultaneously upon the Delaware, Susquehanna and Western Divisions, in all about 300 miles.

In September, 1841, the first section of the road from Piermont to Goshen, 46 miles, was opened to traffic. About this time the Company became embarrassed, and their affairs were placed in the hands of assignees, under whose management the road was extended to Middletown, seven miles west from Goshen, and opened thus far June 7, 1843. Here comes another pause—another suspension of active operations. Up to Feb. 1, 1844, \$4,736,949 had been expended, but of the works costing this sum more than one-half were finally abandoned. Renewed efforts were now made to resuscitate the enterprise. The Company's engineer estimated the amount necessary to complete the road to Lake Erie and equip it at \$7,000,000. The State, by an Act passed in 1845, agreed to release its loan of \$3,000,000, provided the road was finished in the next six years, and, as a further inducement to additional subscriptions to the stock, the old stockholders agreed to surrender one-half of their holdings, provided \$3,000,000 should be obtained by new subscriptions. This sum, with an issue of bonds to the same amount, it was confidently believed would be sufficient for all purposes. These arrangements relieved the Company from present embarrassments, but a question of location arose which delayed for some time the commencement of construction west of Otisville. Upon the renewal of the obstacles which interfered with the progress of the works, by an act passed in 1847 construction was pressed forward with vigor, and continued without interruption until the whole line was sufficiently perfect for use, or, in ordinary language, completed.

The following statement presents the dates of the opening of the several lines in the great line, which had been completed, as before shown, to Middletown in 1843: From Middletown to Otisville, 8 miles, Nov. 3d, 1846; from Otisville to Port Jervis, 13 miles, Jan. 6th, 1853; from Port Jervis to Binghampton, 127 miles, Dec. 28, 1848; from Binghampton to Owego, 22 miles, June 1; and to Elmira, 36½ miles, Oct. 20, 1849; from Elmira to Corning, 17 miles, Jan. 1, 1850; from Corning to Bonnellsville, 41 miles, Sept. 3d, 1850, and to Dunkirk, on Lake Erie, April 22d, 1851—the whole line from the Hudson to the Lake, being a distance of 446 miles, having been opened at that date.

The construction account up to the end of the fiscal year 1850-51 showed that the road had cost about 24 000,000, and yet it was the mere outline of that great thoroughfare to which it has grown in the last dozen years. Its terminus on the Hudson was at an early date found to be at an inconvenient distance from the metropolis, and hence permission was obtained of the New Jersey Legislature to make Jersey City its eastern outlet. This was effected by leasing two existing roads in New Jersey

a short connecting link in New York near Suffern. Together these denominated the Union Railroads, and are held in perpetuity—the link at \$3,500, the Paterson & Ramapo R. R. at \$26,500 and the Paterson & Hudson R. R. at \$46,600 a year. An additional rail was laid on the New Jersey R. R. for the accommodation of the wide cars of the Erie Company in Jersey City, for the use of which a tonnage charge is exacted.

The business of the road, however, soon outgrew the accommodation supplied, and hence the necessity of enlarged plans. To meet this the Dry Dock Company was formed which constructed the magnificent docks between Jersey City and Hoboken. These improvements are leased to the Erie Company, but are also chiefly owned by it. The connecting line, which passes through a tunnel, is about two and a half miles long and reaches the river by a number of radiating branches. The lease was made July 1, 1856.

The Chemung Railroad and the Elmira, Jefferson & Canandaigua Railroads are also operated by the Erie under leases executed Jan. 1, 1859 for twenty years; and more recently it has undertaken to operate the Elko, New York & Erie and other roads. The company have also purchased the Buffalo & New York City Railroad, extending from Horshamville to Attica.

From the time of the opening of the road the affairs of the company have been becoming more and more involved. The interest on the new bonds could not be met, and creditors became pressing. In August, 1862, at the suit of the fourth mortgage bond holders a Receiver was appointed to take charge of the company's effects. In the meanwhile a plan of reorganization was put forth and adopted, the principal feature of which was the funding of overdue coupons and other liabilities into a preferred stock. Under this arrangement the property was sold and the present Erie Railroad Company formed, its existence dating from January 1, 1862. The statements of the financial condition of the company before and after this change will be seen in the tables given above.

The Erie Railroad Company as now organized has been a success. It has paid dividends on its new stock punctually, and is now paying 8 per cent per annum on the old stock. Yet it has still large demands to meet in order to make the road and equipments equal to the business existing in prospect. These have been provided for by the issuance of sterling bonds to the amount of £800,000.

The connection between the Erie, Atlantic & Great Western and the Illinois & Mississippi Railroads furnishes a wide gauge line from New York to St. Louis, 1,200 miles. When fully developed this connection will add largely to the business of all the companies forming the through line.

COMMERCE OF NEW YORK FOR 1865.

We have received from the Custom House the official returns of the commerce of New York for 1865, and are able now to give the figures for each year during the year, with the previous returns for comparison.

IMPORTS.

We published in the Magazine for February the annual statement of dry goods and below we give the quantity and value of general merchandise. We now classify

the total imports, giving separately the dry goods, general merchandize and specie for the last five years:

FOREIGN IMPORTS AT NEW YORK.

	1861.	1862.	1863.	1864.	1865.
Dry goods.....	\$43,631,689	\$56,121,227	\$67,274,547	\$71,589,752	\$92,061,140
Gen'l mer'dise.....	132,472,764	117,140,813	113,814,219	144,270,866	130,557,993
Specie.....	87,068,413	1,390,277	1,525,811	2,265,623	2,123,281
Total imports.....	\$214,197,866	174,652,317	187,614,577	218,125,760	224,742,419

It appears from this statement that the total for the year exceeds the total of any year since the war, because of the very heavy dry good imports last year. Our imports of cotton alone have decreased about six millions. We now give for comparison the previous years since 1851, classifying them into dutiable, free, and specie. Under the head of dutiable is included both the value entered for consumption and that entered for warehousing. The free goods run very light, as nearly all the imports now are dutiable.

FOREIGN IMPORTS AT NEW YORK.

	Dut able.	Free goods.	Specie.	Total.
1851.....	\$112,592,264	\$9,719,771	\$2,040,543	\$124,352,578
1852.....	115,336,052	12,105,342	2,408,225	129,849,619
1853.....	172,512,412	12,156,367	2,427,083	187,095,862
1854.....	163,494,984	15,765,916	2,107,572	181,368,472
1855.....	142,900,661	14,103,946	855,631	157,860,238
1856.....	138,339,646	17,902,578	1,814,425	157,056,649
1857.....	196,279,362	21,440,734	12,898,033	230,618,129
1858.....	123,578,256	22,024,691	2,264,120	147,867,067
1859.....	213,040,363	23,708,731	2,816,421	239,565,515
1860.....	201,401,683	28,006,447	8,852,330	238,260,460
1861.....	95,826,459	30,353,918	37,058,413	163,238,790
1862.....	149,970,415	23,291,625	1,390,277	174,652,317
1863.....	174,521,706	11,567,000	1,525,811	187,614,577
1864.....	201,123,236	11,731,902	2,265,623	215,120,761
1865.....	212,203,801	10,410,837	2,123,281	224,742,419

From the foregoing table it will be seen that the total imports are larger this year than any we give, except 1859. This is due in a great measure to the limited supply of foreign goods for the previous three years, and the consequent increased demand at the close of the war. Consequently, the receipts at this port have during the last six months of 1865 been double those of the first six months. Below we give a detailed statement showing the receipts from foreign ports during each month of the year, for the last six years, both of dutiable and free goods, and what portion were entered for warehousing and the value withdrawn from warehouse:

IMPORTS ENTERED FOR CONSUMPTION.

	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$16,521,174	\$8,178,837	\$6,763,396	\$8,741,227	\$12,422,618	\$5,217,495
February.....	14,467,040	7,003,399	7,038,174	7,372,539	15,766,601	5,178,714
March.....	16,163,693	6,700,061	10,312,689	11,461,572	15,848,425	7,056,196
April.....	10,407,966	5,398,809	7,141,197	9,493,830	18,951,700	5,528,675
May.....	10,515,411	2,889,588	8,001,120	7,980,281	7,531,300	6,592,167
June.....	11,870,400	1,825,563	7,278,953	6,328,581	5,518,985	8,542,271
July.....	18,759,905	8,200,663	13,732,505	9,090,210	6,382,928	10,175,820
August.....	19,564,675	8,359,695	10,239,427	10,004,580	6,603,653	13,903,743
September.....	11,516,139	8,106,293	11,890,711	11,203,535	4,390,114	16,748,595
October.....	10,974,428	3,633,580	8,462,554	11,885,569	8,770,526	16,357,232
November.....	8,525,416	4,611,982	6,563,185	10,826,929	3,363,359	16,635,761
December.....	5,374,246	4,342,756	6,831,073	10,498,576	4,448,542	14,500,606
Total.....	\$154,680,498	54,254,231	104,483,984	114,377,429	104,968,811	128,467,153

IMPORTS ENTERED WAREHOUSE.

	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$2,744,411	\$3,560,480	\$3,141,226	\$4,482,794	\$5,571,926	\$4,510,225
February.....	1,526,772	3,751,673	3,370,486	3,657,775	4,091,398	5,568,127
March.....	3,592,093	3,084,187	4,841,846	6,016,901	6,641,408	7,872,563
April.....	4,127,657	4,187,678	3,853,218	6,456,203	5,905,540	7,448,371
May.....	4,436,680	5,842,313	4,600,920	5,437,404	14,727,176	5,288,049
June.....	4,487,109	3,246,504	3,874,127	5,377,886	16,906,064	7,123,792
July.....	4,462,425	1,769,636	4,502,764	6,057,342	14,954,635	7,845,947
August.....	4,182,764	2,660,457	2,139,721	4,409,891	10,427,478	7,563,200

	1860.	1861.	1862.	1863.	1864.	1865.
September.....	2,835,784	1,890,766	4,351,064	3,431,310	5,253,563	4,536,409
October	2,817,461	2,082,381	3,689,806	4,189,457	5,232,938	5,903,993
November.....	2,961,652	2,150,561	2,108,009	4,956,415	4,160,532	9,184,116
December	7,566,147	2,346,387	4,212,725	5,676,955	4,250,862	10,506,522
Total.....	\$46,741,185	41,072,228	45,486,431	60,141,337	99,139,425	83,741,146

IMPORTS OF FREE GOODS.

January	\$2,262,638	\$2,825,665	\$2,552,050	\$2,413,649	\$341,050	\$340,129
February	3,172,392	2,312,563	3,381,473	783,561	797,788	620,063
March	3,739,241	2,873,697	3,476,004	1,323,806	1,072,849	830,450
April	2,386,349	3,351,905	2,232,315	1,323,216	1,025,517	961,036
May	1,845,020	2,730,568	1,446,093	710,091	1,056,576	818,818
June	2,765,008	2,191,513	1,122,192	781,053	1,258,634	963,226
July	1,594,918	2,972,054	1,831,931	688,880	917,684	686,431
August	2,050,665	1,816,124	982,992	509,781	926,474	845,333
September	1,652,832	1,577,885	1,784,804	786,864	852,557	795,466
October	1,911,515	2,163,452	1,004,870	741,868	855,079	795,506
November.....	2,487,290	1,964,644	1,526,496	663,207	911,976	1,159,348
December	2,138,579	2,574,248	1,950,504	834,074	1,125,718	913,987
Total.....	28,006,447	30,353,918	23,291,625	11,567,000	11,731,902	10,410,837

IMPORTS OF SPECIE.

January	\$228,050	\$7,262,229	\$163,658	\$101,906	\$141,799	\$52,266
February	190,175	2,274,067	62,007	213,971	88,150	106,794
March	85,094	5,516,406	89,827	123,616	104,437	243,242
April	49,186	1,953,001	26,152	107,061	265,814	235,422
May	96,060	3,486,112	110,388	197,217	660,099	177,065
June	38,272	5,387,153	61,023	109,997	146,731	236,022
July	64,351	6,996,498	219,001	182,945	123,052	253,640
August	140,750	1,049,552	92,703	113,877	245,858	182,072
September.....	255,695	1,231,012	121,818	78,231	58,229	194,234
October	1,083,838	639,328	266,676	78,053	129,775	77,942
November.....	446,798	908,825	109,708	103,144	161,737	235,536
December	6,174,061	353,530	78,816	116,493	114,976	127,054
Total.....	8,862,330	37,068,413	1,890,277	1,525,811	2,235,623	2,123,261

TOTAL IMPORTS.

January	\$21,756,273	\$28,872,411	\$12,620,829	\$15,739,576	\$18,977,394	\$10,620,117
February.....	19,356,379	16,341,737	13,872,140	13,027,846	21,643,937	11,473,668
March.....	28,590,126	18,204,351	18,719,866	18,390,895	23,667,119	16,012,573
April	16,971,358	14,886,893	13,252,882	17,365,315	26,168,631	14,174,464
May	16,893,151	14,949,261	14,948,521	14,324,925	23,971,144	12,876,106
June	19,160,789	12,649,783	12,336,195	12,597,516	23,926,314	16,855,821
July	24,831,649	14,938,851	20,353,02	16,003,677	22,553,299	19,161,838
August	25,938,854	8,885,928	14,304,543	15,038,129	18,223,463	21,475,606
Sept	16,260,450	7,305,461	18,147,917	15,499,940	10,539,459	22,674,436
October.....	16,787,242	8,523,741	18,413,906	16,894,967	10,083,308	23,134,673
November.....	15,421,156	9,639,012	10,309,398	16,045,695	8,597,595	27,235,651
December.....	21,253,033	9,616,921	13,072,618	17,126,063	9,935,098	26,063,099
Total.....	238,262,460	162,768,790	174,652,317	187,614,577	218,125,760	224,742,419

WITHDRAWN FROM WAREHOUSE.

January.....	\$2,964,024	\$2,543,273	\$4,355,252	\$2,881,531	\$4,950,418	\$5,653,534
February	2,338,669	5,781,723	3,466,641	2,499,127	5,284,680	5,673,619
March	2,200,117	5,817,144	3,339,567	3,456,580	5,215,983	5,795,512
April.....	2,069,423	1,761,245	4,405,410	4,132,633	14,183,873	7,860,073
May	2,475,067	1,606,814	3,710,232	9,794,773	659,869	10,277,170
June	2,268,377	1,903,849	5,054,106	3,890,377	2,544,914	6,346,958
July	3,593,993	6,622,454	6,102,033	4,227,265	3,336,873	8,612,411
August	3,225,105	2,614,152	2,386,604	6,429,421	7,967,843	9,661,136
September.....	4,007,272	2,933,464	2,715,630	6,942,561	6,852,329	8,642,023
October.....	3,018,393	2,518,080	3,109,388	4,858,512	5,504,133	4,699,328
November.....	1,547,301	1,987,626	1,914,983	4,084,183	5,823,884	4,219,361
December.....	1,246,203	3,561,887	1,282,908	2,714,294	5,100,974	3,632,632
Total.....	31,102,924	39,717,259	41,563,754	50,851,167	67,480,778	80,524,342

Below we give in detail the receipts for customs at New York each month of the last five years :

RECEIPTS FOR CUSTOMS AT NEW YORK.

	1861.	1862.	1863.	1864.	1865.
January.....	\$2,059,202 33	\$3,351,657 22	\$4,127,906 82	\$6,180,536 09	\$4,251,737 47
February.....	2,528,736 83	3,565,063 83	3,590,713 97	7,474,027 98	4,791,347 10
March.....	2,489,026 25	4,626,862 86	4,554,400 13	7,659,770 47	5,822,099 23

	1861.	1862.	1863.	1864.	1865.
April.....	1,643,261 99	4,149,952 36	3,957,197 57	13,962,555 60	6,309,994 34
May.....	979,145 14	4,784,924 62	3,873,865 42	3,855,186 46	8,133,423 06
June.....	885,062 41	4,664,927 19	3,738,934 06	3,311,148 43	7,837,075 84
July.....	2,069,590 86	7,211,817 68	4,912,718 49	3,585,848 44	9,778,276 65
August.....	1,558,824 11	4,762,581 54	7,296,735 58	6,287,864 17	13,113,689 50
September.....	1,642,382 43	5,239,045 50	7,270,543 65	4,084,492 54	12,929,615 64
October.....	1,672,616 84	4,309,419 87	6,238,948 46	3,670,188 38	10,973,518 01
November.....	1,551,384 73	3,003,270 23	5,075,846 24	3,455,156 53	9,933,483 96
December.....	2,334,847 38	2,664,593 32	5,248,189 03	3,440,852 67	8,348,750 37
Total.....	21,714,063 30	52,24,116 75	58,886,054 42	66,937,127 71	101,772,905 94

EXPORTS.

While the imports for the year show a decided increase, the exports have fallen off sixty-four million dollars; forty three millions being the decrease in the shipments of produce, and nearly twenty-one million specie. It should be remembered, however, that the returns of this port for the past twelve months cannot be taken as an index of the trade of the country, inasmuch as there have been during the last six months of the year, large shipments of cotton, &c., direct to Europe from the Southern States, while the bulk of the imports for those States has come through New York. We give below the exports each quarter, exclusive of specie, for six years:

EXPORTS FROM NEW YORK TO FOREIGN PORTS EXCLUSIVE OF SPECIE.

	1860.	1861.	1862.	1863.	1864.	1865.
1st quarter.....	\$20,827,066	\$23,477,742	\$32,075,568	\$50,614,908	\$41,429,756	\$46,710,118
2d quarter.....	22,740,760	33,123,489	29,793,344	41,046,726	48,446,686	54,216,567
3d quarter.....	26,079,326	30,075,918	45,313,299	38,825,587	79,519,134	40,521,493
4th quarter.....	33,845,108	41,917,752	49,747,611	40,223,747	52,426,966	67,178,421
Total.....	103,492,260	138,594,901	156,944,822	170,718,768	221,822,542	178,626,599

We now annex our usual detailed statement, showing the exports of domestic produce, foreign dutiable and free goods, and specie and bullion during each month of the last six years:

EXPORTS OF DOMESTIC PRODUCE.

	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$5,299,142	\$10,277,925	\$12,053,477	\$14,329,898	\$11,448,953	\$16,023,621
February.....	5,699,887	10,263,820	10,078,101	17,780,586	13,662,218	15,042,505
March.....	6,998,687	10,580,907	8,935,176	16,187,689	14,410,051	13,898,565
April.....	6,638,682	9,255,646	8,002,094	11,581,933	13,263,712	7,220,709
May.....	5,812,190	10,855,709	9,837,693	13,183,510	14,610,493	7,883,565
June.....	8,307,774	10,270,430	10,048,832	14,780,072	17,996,495	8,079,803
July.....	7,525,718	9,552,789	14,050,437	15,298,073	26,251,673	12,521,246
August.....	8,012,314	9,652,301	13,046,389	10,668,959	26,617,850	14,500,860
September.....	9,232,931	9,877,909	14,734,998	11,717,761	15,595,548	12,763,484
October.....	10,067,330	12,904,350	19,476,947	14,513,454	16,740,404	20,986,986
November.....	11,262,701	14,109,763	14,060,340	11,418,591	12,015,064	22,763,327
December.....	10,610,945	13,661,444	14,805,112	12,846,151	19,242,523	22,562,534
Total.....	95,463,296	131,235,995	149,179,591	164,249,177	201,853,989	174,247,154

EXPORTS OF FOREIGN FREE.

	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$324,003	\$399,940	\$27,193	\$73,111	\$42,232	\$105,421
February.....	344,994	137,950	49,099	43,889	77,698	74,793
March.....	285,351	109,270	65,383	213,685	72,667	307,221
April.....	254,742	209,573	56,350	74,949	48,461	57,544
May.....	309,921	10,114	78,971	103,337	40,898	54,500
June.....	200,464	648,483	43,363	49,380	75,709	85,417
July.....	140,949	203,325	1,117,193	77,232	249,404	28,236
August.....	76,083	57,965	417,100	90,815	126,527	45,045
September.....	46,620	30,013	667,987	55,400	848,742	64,003
October.....	94,175	60,968	179,205	149,823	69,965	83,235
November.....	84,167	41,973	45,538	56,534	64,914	109,155
December.....	97,241	75,474	103,489	55,555	425, 81	24,165
Total.....	\$2,258,710	\$2,154,947	\$2,853,848	\$1,037,212	\$2,142,458	\$938,735

EXPORTS OF FOREIGN DUTIABLE.

	1860.	1861.	1862.	1863.	1864.	1865.
January.....	\$399,317	\$465,978	\$149,493	\$668,275	\$664,485	\$433,556
February.....	631,489	429,537	208,757	610,009	456,493	633,509
March.....	844,716	839,415	458,917	758,266	599,959	191,927
April.....	482,480	231,784	607,678	375,224	558,812	483,395
May.....	248,270	567,872	752,797	602,254	569,888	320,210

June	\$491,228	\$903,877	\$372,561	\$208,007	\$1,282,218	\$121,428
July	232,552	260,866	449,948	448,601	5,137,460	262,508
August	191,270	176,581	256,680	231,774	2,231,782	135,172
September	620,394	264,168	572,572	238,972	2,400,138	200,854
October	394,753	192,196	484,265	350,614	1,104,299	252,072
November	400,218	377,170	284,873	383,948	1,126,159	208,091
December	833,578	494,514	352,902	453,575	1,632,502	233,606
Total	\$5,765,274	\$5,203,159	\$4,901,383	\$5,425,579	\$17,824,095	\$2,440,410

EXPORTS OF SPECIE AND BULLION.

January	\$853,563	\$58,894	\$2,658,274	\$4,624,574	\$5,459,079	\$2,184,533
February	977,009	1,102,926	3,776,919	3,965,664	3,015,767	1,023,201
March	2,281,663	301,802	2,471,233	6,585,442	1,800,559	381,912
April	2,995,502	1,412,674	4,037,675	1,972,834	5,883,077	871,240
May	5,520,936	123,900	5,164,636	2,115,675	6,460,930	7,255,071
June	3,842,080	244,242	9,867,614	1,367,774	6,533,109	5,192,472
July	6,564,985	11,020	8,069,387	5,262,281	1,947,329	723,206
August	7,454,813	3,600	3,713,532	3,465,261	1,001,813	1,554,396
September	3,758,734	15,756	3,085,919	3,480,385	2,835,398	2,494,972
October	2,106,395	15,038	6,707,519	6,210,156	2,517,121	2,516,236
November	525,091	48,885	6,213,251	5,433,363	7,267,602	2,146,130
December	202,401	893,013	3,673,112	5,269,053	6,104,177	2,752,161
Total	\$42,191,171	\$4,236,250	\$59,437,021	\$49,754,066	\$50,825,621	\$30,003,688

TOTAL EXPORTS.

January	\$6,876,024	\$11,202,737	\$14,883,437	\$19,695,358	\$17,609,749	\$19,746,451
February	7,652,879	11,907,233	14,112,843	22,400,148	17,211,776	16,774,006
March	10,510,417	11,831,394	11,980,714	23,095,062	16,388,236	14,779,626
April	10,890,415	11,709,679	12,703,797	14,004,940	19,754,062	8,562,897
May	11,900,317	11,732,595	15,832,097	16,002,780	21,682,200	15,513,345
June	17,836,546	12,067,031	20,332,375	16,495,293	26,887,531	18,446,116
July	14,463,199	10,028,000	23,684,915	21,092,787	33,585,866	13,536,061
August	15,734,980	9,890,448	17,433,701	14,454,809	20,977,962	16,235,475
September	13,658,679	10,178,846	19,061,471	15,492,518	21,739,836	15,523,314
October	12,662,653	13,172,451	26,797,936	21,219,549	20,431,789	23,788,409
November	12,272,177	14,577,291	20,603,942	17,292,436	20,473,699	25,126,752
December	11,745,165	15,124,445	18,939,615	18,619,334	27,410,488	25,577,766
Total	145,683,451	142,931,151	216,371,843	220,465,034	272,648,163	208,630,229

Below we give a detailed statement of the imports of general merchandise at New York for the last two years:

FOREIGN IMPORTS AT NEW YORK FOR 1864 AND 1865.

[The quantity is given in packages where not otherwise specified.]

	1864.	1865.			1864.	1865.	
	Value.	Quant.	Value.		Value.	Quant.	Value.
Alabaster or- naments.....	\$6,915	3,388	\$7,579	Albumen .....	.....	30	3,694
Baskets.....	116,485	3,955	83,752	Aloes.....	7, 93	60	5,943
Bags	179,422	...	77,065	Alum.....	8,077	1,183	20,404
Boxes.....	22,968	...	25,233	Aluminous cake	4,279	120	4,167
Bricks.....	4,452	..	5,868	Amo'a carb....	881	48	2,603
Boats.....	.....	...	2,000	Ammonia.....	46,615	224	9,517
Buttons.....	415,868	3,947	1,018,321	Am. sal.....	19,697	517	20,138
Build. stone.....	17,596	...	9,914	Am. sulph.....	5,127	157	7,374
Burr stones.....	17,773	1,140	24,548	Annatto	17,755	502	10,797
Candles .....	.....	...	16,624	Anilli. dye.....	.....	22	5,795
Clay	51,533	...	21,930	Aniline colors..	137,283	53	87,236
Cheese	59,207	2,530	113,485	Arrowroot.....	12,464	514	8,881
China, Glass, and Earthenware—				Asphaltum.....	2,976	267	5,237
Bottles.....	24,856	1,234	27,930	Argols.....	220,386	1,682	164,730
China	348,737	6,804	353,583	Assafetida.....	4,194	...	.....
Earth'ware....	1,205,473	36,668	1,130,236	Arsenic.....	2,811	140	4,613
Glass.....	332,109	148,100	330,201	Aum.....	.....	50	917
Glassware.....	181,540	7,891	200,989	Bark, Peruv....	267,531	5,322	152,034
Glasplate.....	425,524	3,681	531,110	Bals. Tolu.....	3,197	...	.....
Graphite, &c..	834	2	104	Bal. copav. ...	.....	...	5,445
Cigars.....	788,237	...	955,091	Bismuth.....	12,578	20	2,351
Coal, tons.....	693,268	323,656	860,542	Bitumen.....	.....	64	2,392
Corks.....	230,159	130	123,488	Blea powd.....	433,090	19,780	279,111
Chronograp's....	837	71	6,640	Blue vitrol....	.....	...	2,537
Cotton, bales....	11,157,449	43,660	5,825,084	Borax.....	.....	326	8,104
Clocks	14,107	336	61,595	Brim'e, tns....	224,218	8,963	213,910
Cocon, bags.....	150,966	6,518	131,738	Barytes,	408	424	2,448
Coffee, bags....	14,543,955	717,073	12,834,059	Castor oil	6,690	633	9,365
Drugs, &c—				Camphor.....	114,818	2,387	58,033
Acids.....	14,107	1,506	172,465	Camomile.....	1,572	.....	1,516
Alkali.....	8,598	508	7,723	Canthari's....	5,749	58	2,225
				Card'moms....	3,419	..	...

	1864. Value.	1865. Quant.	Value.
Carmines.....	8,988	11	5,283
Chalk.....	1,895	333	7,643
Chlorodine.....	.....	.....	1,409
Cream tar.....	150,487	186	231,546
Chrome yel.....	8	.....	199
Chicory.....	88,746	2,156	34,559
Cochineal.....	243,430	2,45	432,768
Cubebs.....	19,234	.....	1,555
Cudbear.....	91,186	621	46,598
Cutch.....	3,306	2,487	18,409
Divi Divi.....	1,533	.....	7,220
Dye stuffs.....	1,283	100	512
Flor sulph.....	8,011	.....	.....
Gentian r't.....	1,585	.....	.....
Gambier.....	2 6,244	5,717	70,349
Gum arabic.....	223,221	4,467	254,411
Gum crude.....	198,732	8,250	284,571
G. copaiva.....	61,567	976	34,820
G. lowrie.....	85,418	427	10,363
Gum copal.....	4,782	2,586	59,935
Gum myra.....	.....	.....	7,459
Gum gedda.....	1,174	.....	.....
G. tra, canth.....	522	.....	.....
Glue.....	230	23	2,652
Gypsum.....	.....	50	882
Indigo.....	706,806	6,545	947,069
Iodine.....	23,684	74	22,500
Iodine pot.....	22,088	205	37,456
Ipecac.....	49,696	117	26,169
Ipecacu'ha.....	.....	52	12,995
Ins'ct pow.....	2,228	.....	1,524
Isinglass.....	1,183	3	1,508
Jalap.....	12,331	69	14,776
Lac dye.....	15,220	321	12,973
Leeches.....	6,761	208	7,988
Licorice r't.....	48,433	4,583	19,284
Lic paste.....	353,893	9,650	267,911
Logw'd ext.....	.....	.....	3,339
Madder.....	810,066	5,096	751,986
Magnesia.....	12,037	663	12,130
Manna.....	8,902	94	3,863
Morphine.....	1,427	.....	.....
Muriate pot.....	1,273	152	11,536
Nutgalls.....	1,543	141	31,402
Nitrate pot.....	.....	.....	19,514
Nit're soda.....	298,904	3,000	229,750
Nit're silv'r.....	1,323	.....	.....
Oils, unspec.....	89,793	2,880	193,254
Oil, cod.....	4,275	1,684	85,450
Oil, cocoa-nut.....	8,716	230	13,198
Oil, ess.....	170,830	2,831	551,812
Oil, lin'd.....	161,128	1,810	159,594
Oil, olive.....	202,851	36,623	249,050
Oil, palm.....	33,923	506	29,555
Oil, whale.....	5,740	72	16,000
Opium.....	311,087	1,101	443,828
Orch. weed.....	16,746	.....	9,129
Orange p'l.....	4,827	.....	.....
Paints.....	425,763	.....	407,443
P. white.....	1,925	255	1,178
Pot. bitch.....	2,286	.....	.....
Pers'n berries.....	3,112	.....	4,507
Pot. chlo.....	17,473	732	23,292
Pot. hyd.....	7,577	414	37,300
Potash Iodide.....	.....	15	1,552
Phosphorous.....	20,079	460	19,939
Plumbago.....	97,928	41	62,186
Potash.....	.....	15	1,880
Pruss. potash.....	8,090	630	47,824
Quinine.....	65,032	1,038	146,849
Quickall'r.....	134,198	100	63,542
Reg. antimony.....	70,947	231	11,557
Rhubarb.....	8,844	306	58,616
Saffron.....	.....	16	2,776
Safflower.....	4,632	5	8,861
Safflower ext.....	3,744	19	3,101
Santonine.....	.....	3	3,018
Saltpetre.....	122,091	124	169,083
Salammoniac.....	.....	10	843

	1864. Value.	1865. Quant.	Value.
Sarrap'la.....	35,929	381	9,534
Scamm'ny.....	7,203	.....	1,816
Senna.....	2,587	27	2,342
Shellac.....	87,392	1,265	49,345
Soda, bicarb.....	206,323	67,100	198,854
Soda, sal.....	109,874	15,819	86,132
Soda, caustic.....	151,949	7,873	170,816
Soda, ash.....	680,056	80,263	783,416
Soda, hyd. sul.....	817	.....	.....
Sponges.....	47,463	1,311	67,195
Sugar lead.....	31,640	115	8,388
Sulph morphia.....	1,290	.....	450
Sumac.....	151,087	27,515	123,306
Sul. copper.....	.....	178	13,196
Sul. Alum.....	.....	12	238
Sul. zinc.....	.....	392	12,007
Velonia.....	791	.....	.....
Tonqua beans.....	11,070	55	6,695
Ultram'ne.....	1,776	.....	492
Van. beans.....	29,482	115	30,315
Verdigris.....	5,320	.....	1,135
Vermill'n.....	48,395	1,100	63,007
Vinegar.....	.....	25	494
Whiting.....	.....	711	933
Wormseed.....	4,041	.....	.....
Yel. ochre.....	14,634	1,320	4,122
Yel. berries.....	7,455	.....	.....
Drugs, unspec.....	217,939	.....	285,973
Emery.....	15,252	481	5,622
Fancy goods.....	1,749,028	.....	3,547,815
Fans.....	12,613	.....	8,599
Feathers.....	284,601	46	170,017
Fire crackers.....	41,847	2,700	77,948
Fish.....	502,472	2,815	1,035,448
Flax.....	115,016	12,440	370,934
Flour.....	5,074	.....	.....
Furs, &c.:.....	.....	.....	.....
Felting.....	21,308	486	46,425
Hatters' goods.....	746	72	19,086
Furs.....	2,053,780	6,356	2,794,445
Fruits—	.....	.....	.....
Bananas.....	41,963	.....	45,546
Clton.....	70,911	40	22,244
Currants.....	189,772	.....	59,526
Dried fruits.....	15,510	100	92,575
Dates.....	3,178	.....	2,498
Figs.....	24,462	.....	59,439
Lemons.....	199,579	.....	255,672
Nuts.....	637,127	.....	662,732
Oranges.....	437,043	.....	331,397
Pre'dginger.....	.....	.....	507
Pine-apples.....	61,506	.....	62,465
Plums.....	60,073	.....	116,003
Prunes.....	58,196	.....	76,433
Raisins.....	373,244	.....	330,313
Sauces & pr.....	153,417	.....	178,860
Grapes.....	2,440	.....	7,196
Other fruits.....	.....	.....	2,268
Furniture.....	16,736	133	24,982
Grain.....	155,936	.....	223,230
Grindstones.....	16,004	245	9,071
Gunny cloth.....	51,562	4,608	120,936
Guttapercha.....	47,016	402	19,173
Guano.....	7,218	2,338	7,226
Hair.....	379,598	3,376	491,747
Hair cloth.....	181,514	381	155,795
Hemp.....	1,533,949	116,106	1,732,979
Honey.....	127,798	1,040	72,486
Hops.....	17,443	2,209	95,574
India rubber.....	1,196,781	26,753	1,183,421
Ivory.....	37,637	2,456	251,347
Instruments—	.....	.....	.....
Chemical.....	1,948	1	220
Mathem'cal.....	9,895	37	11,634
Musica'.....	229,224	1,605	279,723
Nautical.....	835	180	18,804
Optical.....	25,975	279	104,189
Surgical.....	7,575	7	8,179

	1864.	1865.	
	Value.	Quant.	Value.
Jewelry, &c.—			
Jewelry	726,919	724	1,894,980
Watches	1,450,164	1,013	1,996,478
Leather, Hides, &c.—			
Boots & shoes	26,808	294	39,048
Bristles	181,812	1,611	448,138
Hides, dressed	1,157,662	7,087	2,899,677
Hides, undressed	5,829,887	...	5,478,011
Horns	12,412	...	16,407
Leather .....	...	163	29,122
Leather, put	24,247	128	60,205
Liquors, Wines, &c.—			
Ale	66,445	6,636	74,519
Brandy	574,878	8,588	166,949
Beer	14,610	1,963	18,809
Cordials	17,192	1,525	9,751
Gin	61,816	3,694	30,247
Porter	26,069	4,779	40,672
Rum	60,868	689	23,969
Whisky	68,030	1,469	66,030
Wine	1,615,465	118,904	1,161,623
Champagne	556,966	69,237	680,961
Alcohol .....	...	10	218
Metals, &c.—			
Brass g'ds	41,471	739	64,122
Bronze met	50,754	...	...
Bronzes	9,894	119	16,638
Chains & Anch	581,772	2,890	172,169
Copper	689,049	87	772,687
Copper ore	265,552	...	92,376
Cutlery	1,157,424	2,776	1,384,039
Gas fixt	4,402	9	1,561
Gases	212,756	1,164	127,799
Hardware	578,004	4,687	697,991
Iron, hoop tons	223,464	899	44,461
Iron, pig, t'n	803,784	25,789	865,678
Iron, rail'd bars	2,637,470	246,404	1,556,394
Iron, sheet, t'n	393,979	2,872	163,078
Iron tubes	142,403	24,695	128,260
Iron, other, t'n	2,427,850	24,130	1,134,393
Iron bridge .....	...	2	49,899
Lead, pig	2,632,219	222,594	1,322,939
Lead ore	32,566	...	...
Met. goods	474,116	2,552	447,368
Nails	57,919	685	15,346
Needles	147,333	297	192,262
Nickel	124,169	101	49,556
Old metal	292,030	80	213,716
Plated w're	14,079	75	18,117
Platina	96,654	68	62,572
Percussion caps	64,261	298	60,418
Saddlery	62,393	231	63,214
Steel	2,012,197	97,577	1,694,755
Spelter, lbs	326,540	480,941	226,965
Silver w'e	6,007	48	8,848
Tin plates, bxs	2,201,541	624,919	2,652,256
Tin slab, lb	556,778	152,024	1,266,697
Wire	49,322	6,409	95,299
Zinc	270,675	264,632	163,614
Lith stone	2,639	...	2,635
Machinery	213,836	2,242	234,750
Lamps	2,285	...	...
Marble & mfd do	94,209	3	99,215
Matches	1,893	725	2,655
Macaroni	17,346	2,294	5,162
Meat .....	...	...	1,409
Molasses	2,496,790	123,554	2,299,425
Oil paintings	202,433	...	...
Oakum	2,453	...	...
Onions	10,187	...	12,856
Paper hang'g's	20,458	199	16,664
Pearl shells	5,342	...	...
Perfumery	102,756	908	190,099
Personal effects	202,602	62	404,296

Total

	1864.	1865.	
	Value.	Quant.	Value.
Plaster	20,789	...	...
Pitch	569	...	...
Pipes	202,647	...	...
Potatoes	19,090	...	...
Provisions	215,289	244	17,...
Rags	641,054	22,264	64,...
Rice	591,728	689	68,...
Rope	42,137	636	5,...
Quartz rock	2,754	...	...
Rosin	55,786	612	...
Sago	2,616	1,209	1,...
Salt	448,129	...	...
Shells	1,201	...	...
Seeds unspiced	145,487	...	...
Castor seed	40,617	...	...
Linseed	214,447	117,994	...
Soap	159,076	12,251	...
Spices—			
Cassia	12,254	...	...
Cinnamon	2,672	...	...
Cloves	72,179	...	...
Ginger	52,973	...	...
Mace .....	...	...	...
Mustard	16,121	23	...
Nutmegs	78,617	29	...
Pepper	224,294	59	...
Pimento	29,090	...	...
Oth spices .....	...	...	...
Stationery, &c.—			
Books	227,716	2,298	...
Engraving	99,209	245	...
Paper	222,790	2,021	...
Oth station	181,640	1,590	...
Statuary	95,074	25	...
Sugar, hhd's .....	...	...	...
bbl & to	12,999,897	294,453	15,599,...
Sugar, bxs & bgs	2,980,059	450,982	2,499,...
Tar	108,272	1,222	...
Tapioca	17,894	408	...
Teasles	2,240	...	...
Trees & plants	24,248	...	...
Thistles	1,277	...	...
Tea	5,172,072	522,990	7,0...
Twine	94,642	169	...
Toys	427,246	8,519	...
Tobacco	622,472	29,646	...
Tomatoes	2,628	...	...
Turpentine	2,431	14	...
Turp spirits	294,524	...	...
Waste	222,609	12,966	...
Whalebone	61,644	109	...
Wax	22,129	5	...
Woods—			
Box wood	1,298	...	...
Brazil w'd	6,409	...	...
Camwood	240	...	...
Camph w'd .....	...	...	...
Cedar	211,067	...	...
Cork	69,162	...	...
Ebony	6,617	...	...
Fustic	22,312	29,240	...
Lima wood	16,625	...	...
Lign'vita	12,876	...	...
Logwood	220,237	562,227	...
Mahogany	24,256	...	...
Palm leaf	78,509	...	...
Ratan	91,642	...	...
Rosewood	129,522	...	...
Sapanwood	2,260	...	...
Spruce	2,604	...	...
Willow	22,209	...	...
Oth woods	102,456	...	...
Wool, bales	2,422,409	29,612	4,2...
Oth miscell	52,522	...	...

Total

.. \$120,2

CALIFORNIA GOLD, QUICKSILVER, ETC., FOR 1865.

Below we give important statistics with regard to the production of California for 1865.

RECEIPTS, SHIPMENTS, &C, OF GOLD.

The treasure movement at San Francisco, according to the *Mercantile Gazette* and *Prices Current*, are shown in the annexed statement.

The receipts from the interior in all the year 1865 sum up thus :

	Uncoined.	Coined.	Total.
Northern mines.....	\$36,649,337	\$3,093,110	\$39,742,447
Southern mines.....	5,108,413	1,320,547	6,428,960
Coastwise.....	6,948,511	548,265	7,496,776
Total, 1865.....	\$48,706,261	\$4,961,922	\$53,668,183
" 1864.....	47,769,984	5,743,399	53,513,383
" 1863.....	48,913,875	6,883,974	55,797,849
" 1862.....	41,877,957	5,593,421	47,471,378
" 1861.....	32,325,863	9,363,214	41,689,077

The exports from the port for the five years 1861-1865, as declared at the Custom House, were as follows :

To	1861.	1862.	1863.	1864.	1865.
New York.....	\$32,628,011	\$26,194,035	\$10,389,829	\$12,316,121	\$20,583,389
England.....	4,061,779	12,950,189	28,467,256	84,486,422	15,482,638
China.....	2,541,279	2,660,754	4,206,370	7,887,973	6,963,522
Japan.....		17,916	84,564	85,681	214,006
Manila.....		85,652	66,200	150,185	156,505
Panama.....	349,769	484,508	2,503,296	378,794	1,224,844
Havana.....	96,920	.....	82,302	7,000	.....
Hawaiian Islands.....		2,000	31,253	130,103	45,920
Society Islands.....		.....	8,000	16,951	5,500
Mexico.....	96,920	5,000	155,518	175,245	152,457
Central America.....		10,000	77,827	45,321	90,273
Victoria, V. I.....		188,222	100,000	125,000	.....
France.....	96,920	.....	.....	.....	389,170
Chile.....		.....	.....	.....	50,000
Australia.....		121	.....	.....	.....
East Indies.....	96,920	62,414	.....	.....	.....
Total.....	\$40,676,758	\$42,561,761	\$46,071,920	\$55,707,201	\$45,308,228

The following shows the total movement for the same years :

	Receipts at port.			Exports as	Annual
	Interior.	Foreign.	Total.	above.	movement.
1865.....	\$53,668,183	\$1,799,390	\$55,467,573	\$45,308,228	Inc. \$10,159,345
1864.....	53,513,383	1,715,094	55,228,407	55,707,201	Dec. 478,794
1863.....	50,297,849	2,156,623	52,453,961	46,071,920	Inc. 6,382,041
1862.....	47,471,378	1,904,084	49,375,462	42,561,761	Inc. 6,813,701
1861.....	41,689,077	1,702,686	43,391,763	40,676,758	Inc. 2,715,005

QUICKSILVER RECEIPTS AT AND EXPORTS FROM SAN FRANCISCO.

The exports of quicksilver from California during the year, as given in the *Mercantile Gazette*, of San Francisco, show a considerable excess over 1864, there being an increase of 5,551 flasks. China is by far the largest consumer, in fact taking nearly one-half of our entire shipments. Europe, Mexico, Peru, and Chile are next in order, and the balance is generally distributed throughout the markets of the world. The export price is fixed at 55c, and for home use 65c per lb is demanded. Heretofore, as now, the New Almaden Mines have furnished the bulk of supplies; but it is proper for us here to state that the Lake Manufacturing Company, situated in Sonoma County, has produced in the aggregate, since its opening in September, 1862, 6,755 flasks, the bulk of which is sold by the owners to their regular trade customers. The

yield of the New Almaden Mine, during the year 1865, was 47,194 flasks. The receipts for each month during the year were as follows :

	Flasks.		Flasks.
January.....	3,722	July.....	3,512
February.....	3,512	August.....	3,427
March.....	3,427	September.....	4,050
April.....	4,050	October.....	4,501
May.....	4,501	November.....	4,000
June.....	4,000	December.....	

Total flasks.

We also give the exports to the different countries for 1865, and also for the previous years, as follows :

To	1860.	1861.	1862.	1863.	1864.
To New York and Boston.....	400	400	2,365	95	1,425
Great Britain.....		2,500	1,500	1,063	1,639
Mexico.....	3,786	12,051	14,778	11,590	7,428
China.....	2,715	12,788	2,725	8,249	12,908
Peru.....	759	2,804	2,429	2,378	4,300
Chile.....	1,040	2,059	1,748	500	2,674
Central America.....		110	40	40	30
Japan.....		50	25		262
Australia.....	100	1,850	600	200	100
Panama.....	180	57	424	120	45
Victoria, V. I.....	336	116	5	43	21
Total flasks.....	2,448	25,985	23,747	26,014	26,318

And our exports previously have been—

	Flasks.		Flasks.
1859.....	3,309	1865.....	34,142
1858.....	34,142	1864.....	27,283
1857.....	27,283		

SAN FRANCISCO MINT STATISTICS.

The Superintendent of the Branch Mint at San Francisco has furnished the following very complete tabular statement of the business of that establishment during the past year :

Deposits of Gold and Silver Bullion and Coinage at the United States Branch San Francisco, for the year ending December 31st, 1865 :

Gold Deposits.....	\$21,173,620
Silver Deposits.....	
Total Gold and Silver Deposits.....	\$21,800,000

GOLD COINAGE DURING THE YEAR 1865.

Months.	Double Eagle.	Eagles.	Half Eagles.	Quarter Eagles.	
January.....	\$1,410,000	\$20,000	\$15,500	\$20,540	\$1,466,040
February.....	600,000				600,000
March.....	745,000				745,000
April.....	2,690,000				2,690,000
May.....	2,125,000				2,125,000
June.....	2,365,000	32,000	35,000		2,432,000
July.....	2,555,000			12,500	2,567,500
August.....	1,845,000				1,845,000
September.....	2,080,000	105,000	47,500		2,232,500
October.....	1,585,000		50,000	25,000	1,660,000
November.....	1,525,000				1,525,000
December.....	1,345,000				1,345,000
Totals.....	20,870,000	167,000	128,000	58,440	21,203,440

LOCALITIES FROM WHENCE GOLD WAS RECEIVED.

California.....	\$12,280,563	18 Arizona.....	\$20,000
Idaho.....	2,161,183	22 Parted from Silver.....	20,000
Oregon.....	1,185,266	09 Fine Bars.....	2,690,000
Montana.....	774,788	56 Foreign Coin.....	20,000
Nevada.....	15,125	00 Foreign Bullion.....	20,000

SILVER COINAGE DURING THE YEAR 1865.

Months.	Half Dollars.	Quar Dollars.	Dimes.	Half Dimes.	Total.
January.....	\$16,000	.....	\$6,000	.....	\$22,000
February.....	82,500	\$5,500	....	\$1,800	89,800
March.....	.....	....	....	....	.....
April.....	21,000	....	....	....	21,000
May.....	87,000	....	....	....	87,000
June.....	21,000	....	....	....	21,000
July.....	85,000	....	4,000	....	89,000
August.....	83,000	....	....	....	83,000
September.....	54,000	....	....	....	54,000
October.....	43,000	....	....	1,000	44,000
November.....	27,000	4,700	4,500	3,200	39,400
December.....	18,000	....	3,000	....	21,000
Totals.....	\$337,500	\$10,250	\$17,500	\$8,000	\$371,250

LOCALITIES FROM WHENCE SILVER WAS RECEIVED.

Nevada.....	\$370,034 44	Bars.....	\$33,100 44
Idaho.....	11,961 90	Foreign Coin.....	24,188 89
Oregon.....	5,332 41	Foreign Bullion.....	24,209 78
Parted from Gold.....	158,071 82		

RECAPITULATION.

Gold—Number of Pieces.....	1,111,188	\$21,233,500
Silver - Number of Pieces.....	1,011,000	871,250
	2,122,188	\$21,604,750
Silver—Fine Bars.....		262,150
Total.....		\$21,866,900

LUMBER TRADE OF SAN FRANCISCO.

The San Francisco Mercantile Gazette gives the following comparative table, showing the imports and consumption of lumber for the years 1864 and 1865, will be of interest, exhibiting the growing importance of the trade :

	Imports, 1864.	Imports, 1865.	Consumption, 1864.	Consumption, 1865.
Pine, rough, feet.....	68,987,706	77,682,841	61,655,171	74,800,769
" dressed, feet.....	4,852,477	5,349,002	4,390,157	3,228,186
Redwood, rough, feet.....	24,903,981	32,614,862	25,940,367	33,117,570
" dressed, feet.....	11,621,808	17,025,056	12,093,779	15,929,671
" siding, feet.....	3,809,623	4,148,156	3,567,031	4,050,512
Cedar, feet.....	2,825,239	475,000	1,727,880	1,109,479
Piles, lineal feet.....	515,196	413,900	491,196	437,900
Laths, No.....	15,879,400	22,818,135	15,882,500	21,933,235
Pickets, feet.....	824,070	967,400	778,750	937,036
Shingles, No.....	12,323,450	24,403,400	11,387,450	24,786,900

The total number of feet of pine, redwood, cedar, and pickets imported and consumed during the years named :

	Lumber, ft.	Inc., 1865
Imports, 1864.....	117,914,955	.....
Imports, 1865.....	133,262,317	20,367,362
Consumption, 1864.....	110,112,635	.....
Consumption, 1865.....	134,173,238	23,060,593

The supply on hand in feet, including sugar and Eastern pine, on the 1st of January 1866, compared with the same date in 1865

	Lumber, ft.
January 1, 1866.....	23,102,570
January 1, 1865.....	17,855,720
Excess stock on hand January 1, 1866.....	5,246,850

The importation and consumption of laths and shingles for the last two years :

	Laths, No.	Shingles, No.
Imports, 1864.....	15,879,400	12,323,450
Imports, 1865.....	22,818,135	24,403,400
Consumption, 1864.....	15,882,500	11,387,450
Consumption, 1865.....	21,933,235	24,786,900

Stock of laths and shingles on hand :

January 1, 1886	Laths, No. Shing's, No.	
January 1, 1885	1,106,800	1,380,000
.....	223,400	1,743,400
.....	884,900	.....
.....

The local exports of lumber, laths, and shingles, for the year 1884 and 1885 were as follows :

	1884.	1885.
Lumber, feet.....	10,961,500	12,442,000
Laths, No.....	180, 00	21,000
Shingles, No.....	4,086,500	5,280,000

INSURANCE COMPANIES OF SAN FRANCISCO.

The Fire and Marine Insurance Companies of San Francisco have made the usual annual statements, as required by law. Their several exhibits furnish much interesting data concerning the rapid growth and successful prosecution of the business of Underwriters upon that coast. Heretofore the merchants were exclusively patronizing foreign companies; but now resident capitalists find this interest largely productive, and are prosecuting it with increased energy. The following statement shows the condition of the several companies at the close of 1885 :

Name of Co.	Capital Subscribed.	Cash assets.	Liabil.	Amt. req. to reinsure out stand'g risks.	Amt't of out-stand'g risks.	Amount of out-stand'g risks.
Pacific	\$750,000	\$1,051,420 87	none	\$120,000	\$12,450,357	\$15,440,000
Union	750,000	502,461 04	none	no report	2,740,117	3,900,000
Firem'n's F'd	500,000	635,378 74	\$285 87	51,000 00	5,873,519	6,304,000
Merc Mutual.	400,000	297,201 86	41,823 00	25,000 00	1,274,928	2,018,000
Cal. Home	300,000	206,032 41	500 00	20,000 00	2,140,310	no report
Occidental	300,000	75,800 41	1,000 00	12,970 00	2,183,542	2,245,000
Home Mut'al.	250,000	no report	78 84	no report	no report	615,000
California	200,000	242,920 19	426 31	\$1,220 00	1,742,081	2,044,000
San Francisco....	150,000	273,808 92	500 00	24,212 20	2,411,225	2,600,000

FINANCES OF THE CITY OF PROVIDENCE.

The funded debt of the City of Providence, R. I., on the 30th of September, 1885, was as follows :

600 Bonds, dated September 1, 1885, due September 1, 1895, at 6 per cent, each bond \$1,000	\$600,000
200 bonds, dated January 1, 1883, due January 1, 1893, at 5 per cent, each bond \$1,000	200,000
500 bonds due in 1876, at 6 per cent, issued to Hartford, Providence and Fitchburg Railroad Company in exchange for the same amount of their bonds secured by mortgage on the road, each bond \$1,000	500,000

Total amount.....\$1,300,000

Sinking Fund to redeem bonds of 1885, viz. :

— bonds of 1885.....	\$24,000 00
— " of 1876.....	2,000 00
— " of 1893	57,000 00
— U. S. bonds and securities	25,000 00
— Cash on hand	260 91—120,260 91

Sinking Fund to redeem bonds of 1893, viz. :

— bonds of 1893.	\$18,000 00
— U. S. bonds and securities.....	19,700 00
— cash in bank.....	22 82— 37,722 82

Sinking Fund to redeem bonds of 1876, viz. :

— bonds of 1885	\$27,000 00
— bonds of 1876.....	1,000 00
— bonds of 1893.....	25,000 00
— U. S. bonds and securities.....	18,500 00— 63,500 00—283,000 00

Total less Sinking Funds.....	\$1,124,278
600 bonds of H. P. & F. R. R., at 7 per cent.....	500,000 00
Coupons unpaid on same in 1885.....	25,000 00—525,000 00

Nett bonded debt of City.....\$525,000

The actual condition of the bond account is as follows :

	Amount.	In Sinking Fund.	Out-standing.
Bonds of 1835.....	\$500,000	\$91,000	\$409,000
" of 1838.....	300,000	100,000	200,000
" of 1876.....	500,000	8,000	492,000
Total.....	\$1,400,000	\$199,000	\$1,201,000
Against this the City own real estate.....		\$1,121,703 00	
Improvements thereon.....		\$10,550 00	
Total value of real estate, etc.....			\$1,132,253 00
And personal estate valued at about.....			110,000 00
Total value of real and personal.....			\$1,242,253 00
The receipts for the year ending September 30, 1865, including \$89,293.93 balance from previous year amounted to.....			\$728,428 61
And the expenditures for the same year to.....			720,365 12
Leaving a balance, September 30, 1865, of.....			\$8,063 49

The principal sources of income were : taxes \$528,849.17 ; Public Schools, from State \$10,512.06, and from registry taxes, \$3 112 20 : Reform School, from State, \$18,528.28 ; interest from H. P. & F. R. R. Co., \$35.00 or less U. S. tax, \$33,250.00, interest account \$5,800.39 ; highway account \$10,983.37 ; rents \$6,002.12 ; licenses \$24,742.72 ; police \$5,947 96 ; loan \$22,110 86 ; etc., etc.

The chief items of expenditure were ; school department \$89,372.04, fire department \$41,758 92 ; highways \$45,580.23 ; police \$86,872 83 ; salaries \$16,395.52 ; health department \$5,649 48 ; lamp department \$55,952.46 ; support of poor \$17,301.63 ; reform school \$22,030 98 ; harbor account \$4 810.94 ; printing \$3,616.90 ; celebration July 4. \$5,725 00 ; aid and relief \$33,248 76 ; State of Rhode Island \$168 927.61 ; sinking funds \$15,000 00 ; interest on H. P. & F. R. R. bonds \$35,000 or less U. S. tax \$33,220.00 : interest on city bonds \$49,500.00, etc., etc.

The Sinking Funds are increased annually as follows : that for the redemption of city 6 per cents by an appropriation of \$10,000 and that for the redemption of city 5 per cents by an appropriation of \$5,000. The H. P. & F. R. R. Sinking Fund is increased by the difference between what the city pays on its own bonds issued to said Company, and what it receives from said Company, namely, 1 per cent per annum, or in the aggregate \$5,000, less U. S. income tax. The proceeds of the securities held by each Sinking Fund further increases these funds.

The population of Providence in 1860 was 50,666. If in 1865 it had risen to 52 885, the tax receipts in that year would be \$10 per capita. This includes also the State taxes paid by the city, viz, \$168,927 61.

Several of the items of receipt and expenditure are mere transfers from one side to the other, thus of the \$168,927 61 paid to the State, the city got back \$19,512 06 for public schools, and \$18,528 28 for the reform school. The receipts on account of H. P. & F. R. R. bonds are balanced by the disbursements on the same account. The aid and relief item is only temporary. These and other items materially reduce the actual charges against the city either now or in the future.

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	Jan. 1, 1898.	Feb. 1.	March.
5 per cent, due December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250
5 do July 1, 1868 ..	8,908,812	8,908,841	8,908,841
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000
5 do January 1, 1871	7,022,000	7,022,000	7,022,000
5 do December 31, 1880	18,415,000	18,415,000	18,415,000
5 do June 30, 1881.....	50,000,000	50,000,000	50,000,000
5 do June 30, 1861, exc'd for 7.30s.....	189,230,800	189,233,250	189,233,250
5 do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
5 do Nov. 1, 1870-85 (5.20 years).....	100,000,000	100,000,000	100,000,000
5 do Nov. 1, 1870-84 (5.20 years)	50,590,800	50,590,800	50,590,800
5 do March 1, 1874-1904 (10.40s).....	172,770,100	172,769,100	172,769,100
5 do July 1, '81 (Oregon war)	1,016,900	1,016,900	1,016,900
5 do June 30, 1881	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest	\$1,167,148,292	\$1,167,149,742	\$1,177,867,250

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan { 10 days' }			
5 do do { notice. }	\$97,357,195	114,735,949	\$118,577,300
5 do do			
5 do Certificates (one year) ..	60,587,000	60,587,000	60,587,000
5 do One and two-years' notes	8,536,900	8,536,900	8,536,900
5 do Three years' com. int. notes	180,012,141	180,012,141	174,012,141
5 do Thirty-year bonds, (ent'l Pacific R.).....	2,362,000	2,362,000	2,362,000
5 do do (Union Pacific R. E. Div)	540,000	592,000	1,622,000
7.30 do Three years' treasury notes, 1st series	200,000,000	200,000,000	612,944,800
7.30 do do do 2d series.....	200,000,000	200,000,000	.....
7.30 do do do 3d series.....	229,000,000	229,000,000	.....
Aggregate of debt bearing lawful money int.....	\$1,179,475,236	\$1,197,295,881	\$1,186,429,400

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes.....	\$240,000	\$233,500	\$167,300
do Texas Indemnity Bonds	726,000	685,000	618,000
Other bonds and notes.....	300,880	200,620	200,000
Aggregate of debt on which int. has ceased	\$1,163,880	\$1,099,280	\$985,300

DEBT BEARING NO INTEREST.

United States Notes	\$422,231,390	\$422,902,223	\$422,435,371
Fractional currency ..	24,000,420	25,553,244	27,523,200
Currency.....	\$459,519,950	\$459,455,467	\$459,959,100
Gold certificates of deposit.....	7,238,140	8,391,080	12,627,000
Uncalled for pay requisitions.....	1,290,006	.....	.....
Aggregate of debt bearing no interest.....	\$459,519,950	\$458,846,547	\$463,586,571
Amount in Treasury—			
Coin	\$45,735,551	\$51,443,162	\$55,736,100
Currency.....	44,998,271	55,060,186	60,292,700
Total in Treasury.....	\$90,733,822	\$107,493,348	\$116,028,800

RECAPITULATION.

Debt bearing interest in coin	\$1,167,148,292	\$1,167,149,742	\$1,177,867,250
Debt bearing interest in lawful money	1,179,475,236	1,197,295,881	1,186,429,400
Debt on which interest has ceased.....	1,163,880	1,099,280	985,300
Debt bearing no interest	459,519,950	458,846,547	463,586,571
Aggregate debts of all kinds.....	\$2,807,310,358	\$2,824,391,500	\$2,827,868,521
Cash in treasury.....	90,733,822	107,493,348	116,028,800

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes.....	\$8,536,900	\$8,536,900	\$8,536,900
United States notes (currency).....	422,231,390	422,902,223	422,435,371
Three years' 6 per cent comp. int. notes.....	180,012,141	180,012,141	174,012,141
Aggregate legal tender notes in circulation.....	\$610,780,431	\$612,451,264	\$605,984,412

IMMIGRATION.

The following table shows the number of emigrants that have arrived at this port during the month of January, and the names of the several European ports of their embarkation. It will be seen that there is a large increase over last year :

Date, 1866.	Name of port.	Nation.	Total.
Jan.....	Liverpool	Great Britain.....	4,518
Jan	Glasgow	Great Britain.....	518
Jan.....	London.....	Great Britain.....	890
Jan.....	Rotterdam.....	Germany	20
Jan.....	Bremen.....	Germany.....	2,625
Jan.....	Hamburg.....	Germany.....	2,409
Jan.....	Havre.....	French.....	899
Jan.....	Genoa	Sardinian	56
Total Jan., 1866.....			11,175
Total Jan., 1865.....			5,319

The following statement shows the ports whence emigrant passengers have arrived, together with the nationality and number of vessels; also, the number of emigrant passengers and others from each port landed at Castle Garden for the year 1865 :

Port, from whence sailed.	Nations.	No. of vessels.	No. of bondable passeng's aliens.	No. returned to U. S. not aliens.	Total pass'ng's arrived.
Liverpool.....	Great Britain.....	245	107,298	4,604	111,890
London	Great Britain.....	36	6,736	282	7,018
Glasgow	Great Britain.....	24	9,177	285	9,462
Australia	Great Britain.....	1	56	16	72
Londonderry.....	Great Britain.....	8	576	26	602
Shields.....	Great Britain.....	1	22	8	30
New-Port.....	Great Britain.....	1	15	9	24
Havre	France.....	18	4,850	68	4,918
Rotterdam.....	Holland.....	9	502	12	514
Bremen.....	Bremen.....	99	34,641	313	34,954
Hamburg.....	Hamburg.....	60	27,898	95	27,993
Antwerp.....	Belgium.....	12	2,211	21	2,232
Genoa	Sardinia.....	4	249	41	290
Algea Bay.....	Great Britain..	1	46	1	47
Totals.....		514	195,255	5,776	200,031

THE LINES OF STEAMSHIPS AND THEIR PASSENGERS.

The following is a statement of the lines of steamships and their varied classifications, by which emigrant passengers arrived at this port during the year 1865, with their respective totals :

Name of Steam Lines.	No. of Trips.	First Cabin.	Second Cabin.	Steerage.	Total.
Dale or Inman.....	80	8,535	....	41,693	45,228
Cunard (both).....	27	8,672	....	245	8,917
Glasgow or Anchor.....	25	468	....	8,837	9,305
National.....	40	1,093	....	28,841	29,934
Bremen.....	24	1,421	2,255	11,519	15,195
Hamburg.....	29	1,089	2,627	14,926	18,642
Bremen and North America	1	15	....	450	465
Havre	11	1,774	....	....	1,774
London and Havre.....	8	193	....	3,312	3,500
Total.....	254	13,260	4,987	109,823	128,020
By sailing vessels					72,011
Grand total emigrants arrived.....					200,031

MONTHLY ARRIVALS OF 1865.

January.....	5,319	July.....	21,290
February.....	2,466	August.....	22,011
March.....	6,171	September.....	23,204
April.....	10,818	October.....	20,069
May.....	24,451	November.....	24,905
June.....	27,119	December.....	12,118
Total.....			200,031

COPPER MINING COMPANIES.

The following statistics of the Copper Mining Companies of Lake Superior, have been compiled from official sources by Dupee, Beck & Sayles, stock brokers, 22 State street, Boston :

Companies.	Shares.	P'd in.	Div's.	Companies.	Shares.	P'd in.	Div's.
Adventure*	20,000	6,000	.....	Lake Sup'r*	20,000	40,000	.....
Ætna†	20,000	220,000	.....	Madison†	20,000	120,000	.....
Alb. & Bos†	20,000	515,000	.....	Mandant	20,000	85,000	.....
Algoma†	20,000	60,000	.....	Manhattan†	20,000	110,000	.....
Allouez†	2,000	24,000	.....	Mass§	20,000	68,888	.....
American§	20,000	20,000	.....	Medora§	20,000	88,878	.....
Amygdal'd†	20,000	340,000	.....	Mendota*	10,000	147,500	.....
Arnold†	20,000	20,000	.....	Merrimac†	20,000	13,000	..
Atlas†	20,000	40,000	.....	Mesnard†	20,000	160,000	.....
Aztec†	2,000	90,000	.....	Milton*	20,000	30,000	.....
Bay State†	20,000	265,000	.....	Minnesota*	20,000	368,000	1760,000
Bohemian†	20,000	350,000	.....	National§	20,000	110,000	280,000
Boston†	20,000	45,000	..	Native†	20,000	80,000	.....
Caledonia*	20,000	100,000	.....	Naumkeag†	20,000	20,000	..
Central*	20,000	100,000	100,000	North Cliff§	20,000	79,000	.....
Concord†	20,000	80,000	.....	N. Western§	20,000	227,258	.....
Cop. Falls†	20,000	49,000	60,000	Norwich*	20,000	220,000	.....
Cop. Harbor†	20,000	20,000	.....	Ogima*	20,000	140,000	.....
Dana†	20,000	65,000	.....	Pennsyl*	20,000	100,000	.....
Dacotah §	20,000	56,505	.....	Petheric†	20,000	105,538	.....
Delaware†	20,000	410,000	.....	Pewabic†	20,000	75,000	38,000
Devon†	20,000	20,000	.....	Phenix†	20,000	300,000	.....
Dorchester...	20,000	80,000	.....	Pittab. & Bos†	20,000	110,000	210,000
Dudley†	20,000	85,000	.....	Pontiac†	20,000	204,000	.....
Eagle River†	2,000	65,000	.....	Quincy*	20,000	200,000	700,000
Edwards*	20,000	32,500	.....	Resolute†	20,000	130,000	.....
Empire†	20,000	200,000	..	Ridge*	20,000	160,000	.....
Everg'n Bl*	20,000	110,000	.....	Rockland*	20,000	240,000	.....
Everett†	20,000	20,000	..	St. Clair†	20,000	60,000	.....
Fl't Steel R†	20,000	184,000	..	St. Louis†	20,000	20,000	..
Franklin§	20,000	170,000	220,000	St. Mary's†	20,000	110,000	.....
Girard*	20,000	100,000	.....	Salem†	20,000	10,000	..
Gt. Western†	20,000	40,000	.....	Seneca*	20,000	20,000	.....
Hamilton†	20,000	40,000	..	Sharon*	20,000	2,000	.....
Hancock†	20,000	350,000	.....	Shel. & Col*	20,000	420,000	.....
Hanover*	20,000	30,000	.....	S. Pewabic†	20,000	20,000	.....
Higland*	20,000	20,000	.....	South Side*	20,000	40,000	.....
Hilton†	20,000	50,000	..	Star†	20,000	235,000	.....
Hope†	20,000	22,760	..	Superior*	20,000	160,000	.....
Hulbert†	20,000	15,000	.....	Toltec†	20,000	420,000	.....
Humboldt†	20,000	100,000	.....	Tremont†	22,000	32,000	.....
Hungarian*	20,000	20,000	.....	Victoria†	20,000	30,000	.....
Huron*	20,000	280,000	.....	Vulcan†	20,000	120,000	.....
Indiana*	20,000	200,000	.....	Washington†	20,000	20,000	..
Isle Royale*	20,000	660,000	..	W. Minn's†	20,000	45,000	.....
Keweenaw*	20,000	100,000	.....	Winona†	20,000	60,000	.....
Knowlton†	20,000	160,000	.....	Winthrop†	20,000	90,000	.....

The capital stock of the Albany and Boston, Isle Royale, and Pennsylvania is \$1,000,000 each divided into 20,000 shares, par value \$50. The capital stock of the Mendota is \$500,000, in 100,000 shares, par value \$5. The capital stock of the Quincy is \$200,000, in 20,000 shares of \$10 each. The capital stock of all other Lake Superior copper companies is \$500,000 each, divided into 20,000 shares, par value \$25.

The whole amount paid in is \$13,109,154. This does not include the original cost of mining location, nor the sums derived from the sale of copper, which have been expended in developing the mines. The aggregate of cash dividend is \$5,600,000.

Offices—*New York; †Philadelphia; ‡Boston; §Pittsburg.

PRODUCTION OF GOLD AND SILVER.

Many questions of interest suggest themselves connected with the relative production of the precious metals. Previous to the discoveries in California, gold uniformly commanded a premium; its influx at that time quickly destroyed this, and the continued demand for silver resulted in its being at a slight premium. The ounce of gold in London in 1848 was 77s 6d, and the ounce of standard silver 59½ or 15½ for 1. With the influx of gold from California, France, as is well known, gradually exchanged her silver for a gold currency, and India absorbed the silver in exchange for silks and other commodities. During the war cotton at high prices has been a desideratum to other articles for which silver was sent to India. On Jan. 1, 1866, the price of silver was 62d, or 4.2 per cent rise since 1848.

These facts are of interest in connection with the following tables which we have compiled showing the total production of gold and silver since 1847. The first table gives the estimated amounts of gold yielded by all the producing countries from 1848 to 1865 both years inclusive—the first fifteen years by quinquennial periods and the last three years separately:

PRODUCTION OF GOLD, 1848-1865.

[The amounts expressed in millions of dollars.]

Countries of Production.	Quinquennial Periods			Years			Total for 18 year.
	48-52.	53-57.	58-62.	1863.	1864.	1865.	
NORTH AMERICA:							
Mexico, &c.	18.0	20.0	20.0	4.1	4.4	4.5	71.0
United States (Atlantic).....	3.0	3.0	3.6	..	..	..	8.6
SOUTH AMERICA:							
Venezuela & N. Grenada.....	7.0	7.0	7.5	1.6	1.4	1.5	26.0
Bolivia.....	4.5	4.6	4.8	1.0	1.2	1.2	17.3
Brazil	9.7	8.1	18.4	3.6	3.9	3.9	42.6
Peru	6.2	6.9	6.8	1.6	1.6	1.6	24.7
Chili	5.6	5.8	5.8	1.2	1.2	1.2	20.8
ASIA:							
Malay Peninsula.....	7.0	7.5	8.0	1.8	1.9	2.0	28.2
Further India.....	20.0	22.0	18.0	4.3	4.0	4.0	72.3
Eastern Archipelago.....	12.0	12.0	14.0	2.6	2.8	2.8	46.2
Japan.....	26.0	26.0	26.6	7.5	7.5	7.5	130.6
China and Tibet.....	65.0	65.0	65.0	17.0	16.8	16.5	304.8
NORTHERN EUROPE & ASIA.....	110.0	110.0	112.0	24.7	26.9	27.5	411.1
EUROPE:							
Germany.....	2.5	2.5	2.5	0.5	0.5	0.5	9.0
Austria & Italy.....	8.0	8.0	8.0	1.7	1.7	1.7	29.1
Spain	14.2	14.7	16.0	3.6	4.1	4.2	56.8
AFRICA.....	25.0	30.0	35.0	7.0	6.5	6.5	110.0
Total, Old sources	873.7	883.1	891.9	83.8	85.9	87.1	1,408.6
UNITED STATES (Pacific).....	251.0	320.0	247.0	60.0	65.0	72.5	1,056.5
BRITISH NORTH AMERICA.....	..	.6	18.0	8.9	10.0	12.0	49.5
AUSTRALIA & N. ZEALAND.....	68.0	825.0	261.0	44.0	46.0	48.0	792.0
Total New sources	319.0	645.6	566.0	112.9	121.0	132.5	1,897.0
Other Countries.....	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Grand Total	702.7	1,033.7	970.9	198.7	208.9	221.7	3,341.5

The aggregate for the eighteen years embraced in the statement being \$3,341,500,000, gives for that period an annual average of \$185,638,888 additional to the world's stock of gold—an average constantly on the increase by the opening of new regions and the adaptation of scientific processes to its extraction.

PRODUCTION OF SILVER 1848-1865.

(The amounts expressed in millions of dollars.)

COUNTRIES OF PRODUCTION.	Quinquennial periods.			Years.			Total for 18 years.
	'48-'52.	'53-'57.	'58-'62.	1863.	1864.	1865.	
NORTH AMERICA:							
Mexico, &c.....	168.0	173.0	165.0	25.0	25.0	25.0	580.0
United States.....	....	2.0	20.0	6.0	10.0	15.0	53.0
SOUTH AMERICA:							
Bolivia.....	20.0	20.0	20.0	4.0	4.0	4.0	72.0
Brazil.....	6.0	8.0	8.0	2.5	2.5	2.5	29.5
Peru.....	32.0	32.0	32.0	8.0	8.0	8.0	120.0
Chili.....	18.0	18.0	18.0	3.8	4.0	4.0	65.8
Venezuela & N. Granada.....	4.0	5.0	6.0	1.4	1.6	1.6	19.6
ASIA:							
Malay Peninsula.....	5.0	5.0	5.0	1.0	1.0	1.0	18.0
Farther India.....	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Japan.....	40.0	40.0	40.0	8.0	8.0	8.0	144.0
China and Tibet.....	55.0	55.0	60.0	12.0	12.0	12.0	206.6
NORTHERN EUROPE & ASIA.....	16.0	18.0	20.0	4.0	4.0	4.0	66.0
EUROPE:							
Germany.....	10.0	10.0	12.0	2.5	2.5	2.5	39.5
Austria.....	10.0	10.0	10.0	2.0	2.0	2.0	36.0
Spain.....	12.0	13.5	15.0	3.0	3.0	3.0	49.5
England.....	2.5	3.0	3.5	.7	.8	.8	11.3
AFRICA.....	6.0	6.5	7.0	1.5	1.5	1.5	24.6
Other countries.....	12.5	13.7	15.0	3.0	3.0	3.0	50.2
Grand total.....	427.0	441.7	466.5	90.4	94.9	99.9	1,630.4

For the whole eighteen years the production has thus apparently amounted to \$1,620,400,000 or on the average \$90,022,222 yearly. Except so far as relates to the United States, there has been but a moderate increase in the annual yield since 1847.

To obtain the weight of metal produced we must multiply the amount in dollars by 25.8 grains for gold and by 412.5 for silver, thus—

Gold.	Silver.
2,341,500,000 dols.	1,620,400,000 dols.
25.8	412.5
88,210,700,000 grs.	668,415,000,000 grs.
12,315,814 lbs.	95,487,857 lbs.
6,157 tons.	47,743 tons.

or nearly in the proportion of eight tons of silver to every ton of gold produced. The above, however, is gold and silver nine-tenths fine and to reduce them to fine metal a tenth must be deducted. The quantity of fine gold produced was thus approximately 5,542 tons avoirdupois or 307½ tons a year, and the quantity of fine silver 43,969 tons or 1,832 tons a year.

A cubic inch of water weighs 252½ grains and the specific gravity of gold is 19.3, or gold is so many times heavier than water. Hence, a cubic inch of gold weighs 4,873½ grains, or 0.69618 lbs. avoird. A cubic foot is 1,728 such cubic inches, and the weight of a cubic foot of gold is about 1,203 lbs. avoird. The whole of the fine gold produced in eighteen years was 5,542 tons or 11,084,000 lbs., an amount which would occupy a space equivalent to 9,213½ cubic feet. A solid shaft 92 feet high and 10 feet square would represent this amount. It would build a wall 1,842½ feet long, one foot thick and five feet high. If melted it would fill 68,916 wine gallons or about 1,094 hog-heads of 63 gallons. Such illustrations will aid the mind in comprehending the magnitude of the gold heap collected from the various sources yearly, or, as above, in a period of years. Cut into slabs one inch thick, the same amount would cover a space of 110,562 square feet! Divide any of the above sums by 18 and you obtain the weight, bulk or extent of the annual gold crop.

The specific gravity of silver is 10.5, or it is so many times heavier than water. It will therefore take not much more than one half the weight of this metal to perform the same offices we have assigned to gold in the above calculations.

THE PHILOSOPHY OF SHIPMENTS.

PEOPLE who are not engaged in commerce do not understand the means by which the prices of flour and provisions are kept up in the home market above the prices which rule in foreign markets to which they are shipped. We will relate the case of a flour merchant in New York which will give a clear idea of the means. He received from the West about 5,000 barrels of flour every week; for which he gave his note on twenty days. This closed the transaction as far as the Western dealer was concerned. The demand for home consumption took about 1,000 barrels, leaving him 4,000 on hand. With these he went to a shipowner, who advanced him the market prices in Liverpool on them, deducting the freight. This was so much freight to his shipping, and this freight was consigned to his agent in Liverpool, who, of course, had his commission for selling it. By shipping the surplus flour, he kept the home price up, and the advance received from the shipowner enabled him to meet his notes when they matured. If the market in Liverpool ruled in his favor, he made a handsome profit both at home and abroad; but if it ruled against him then he refunded to the shipowner, the loss sustained on the money advanced to him. Frequently the profits of the home market were so great that he could afford to pay this reclamation without difficulty and still maintain his credit. But eventually a series of good crops abroad so depressed the foreign markets, and the more he shipped the more he lost. The freight of shipment, the rent of storage, the insurance, and the commissions, absorbed far more than the profits of the home market, and he failed for over \$500,000, and had no assets, yet sustained the reputation of an honest man.

The argument used by the merchants in favor of such a mode of traffic is that it tends to make business brisk. It gives employment to trucking, shipping and commission merchants, and makes money circulate. But its morality is questionable. It compels the poor, who are least able to bear it, to pay perhaps fifty per cent more for their flour than they would if trade took its legitimate course. That is, if those who wanted our breadstuffs or provisions, came into our markets and bought them.

We are happy to learn that this style of transacting business is not so common now as it has been. Shippers have been too often bitten by reclamations, to send flour or provisions abroad without a fair prospect of profit. Flour is often cheaper in Liverpool than in New York. We heard of a case not long since where a shipper said that he had 2,000 barrels of flour on board of a ship then about due in Liverpool, which he could afford to carry back to New York from which the flour was shipped, and make a handsome profit on it. While the present exorbitant prices are sustained in our markets, there will not be much provisions or flour shipped for England, and as there is an abundance of both in the country and no demand from abroad, prices in the home markets must give away.

INTERNAL REVENUE RETURNS.

The following is a recapitulation of the total collections of internal revenue for the fiscal years ending June 30, 1863, '64, and '65, respectively as published in the Times.

Articles and Occupations.	COLLECTIONS FOR.		
	1863.	1864.	1865
Total receipts Manufacturers.....	24,403,091 34	75,461,378 00	104,379,609 36
Slaughtered animals.....	710,712 57	698,549 73	1,261,357 09
Gross receipts.....	1,340,271 82	2,902,869 99	8,891,874 13
Sales.....	64,003 87	141,231 58	4,052,243 54
Licenses.....	6,734,178 42	7,178,205 36	12,613,473 67
Income.....	455,721 26	13,932,312 73	20,740,451 33
Legacies, &c.....	58,592 61	311,161 09	546,703 17
Schedule &.....	365,530 93	696,878 43	780,265 53
Pa-sports, &c.....	8,406 00 .	11,001 00	29,533 22
Special incom.....	.....	.....	23,922,312 09
Penalties, &c.....	27,170 14	185,294 94	517,627 41
Banks, Railroad Co.'s, &c.....	1,910,936 97	7,017,547 03	14,235,616 62
Salaries.....	696,181 71	1,705,124 63	2,826,333 37
Stamps.....	4,140,175 29	5,894,945 14	11,162,322 14
United States Marshals.....	.....	308 2	2,735 29
Solicitor of the Treasury.....	.....	7,957 92	.....
Grand Total.....	\$41,003,192 93	*\$117,145,748 52	\$211,129,323 16

COMMERCIAL CHRONICLE AND REVIEW.

Dullness in business circles—Inflation and contraction—Sudden changes in the Money Market—Rates of loans and discounts—Prices of American securities at London and New York—Treasure movement at New York—Public debt statement—Prices of railway shares and railway earnings—Course of gold and exchange for the month.

The dullness in business circles, noticed in our last number, still continues;—uncertainty with regard to the future of our monetary affairs is the principal cause. Congress has as yet taken no action on the finance bill reported, though it is believed that in its present shape it cannot pass. In the absence of any decided Government policy, imaginary, as often as real causes, affect prices. Rumor at one time says that our National Banks are to be granted an additional circulation, and consequently that we are to have a policy of inflation with higher prices; the next day it is stated as positively settled that the opposite course will be pursued. Under these circumstances business men find it more difficult than ever before to forecast the future, and act, therefore, with great caution.

Under a deranged and depreciated currency this sensitiveness and uncertainty of the money market must always exist. What we want is a settled policy of slow but sure return to specie values. No axiom of political economy is better established than that money, like other things of prime necessity, rises or sinks in value according to the great law of supply or demand. It is only by the light of this principle that a paper currency can be regulated, and a better illustration could scarcely be cited than our Continental paper money. When first emitted in June, 1775, this new paper currency was welcomed as National money, and was much more valued than the local bills of the several States; thus it passed freely everywhere at par with coin. This satisfactory position of

* Including \$225,076 06, amount refunded.

things continued as long as there was no more currency afloat than the business of the country required. When, however, the point of saturation was passed, every addition to its quantity brought new depreciation to its value, and though penalties and patriotism were in turn appealed to, and all imaginable expedients except a diminution of the quantity were put in force to avert the fatal catastrophe, popular confidence was gradually undermined; the Continental notes sank lower and lower in value, till at length, like other worthless shimplasters, they became a public nuisance, and by a convulsive effort were driven from the circulation altogether, and ceased to circulate as money.

John Stuart Mill, in an essay which has just been published in this country, offers, on the subject of depreciation, the following very just observations:

Several times since paper credit existed, governments and public bodies have got into their hands the power of issuing a paper currency without the restraint of convertibility, or any limitation of the amount. The most memorable cases are those of Law's Mississippi scheme, the Assignats, and the Bank restriction in 1797. On these various occasions a depreciation did, in fact, take place; but the intention was not proposed of producing one, nor were its authors in the slightest degree aware that such would be the effect. The important truth that currency is lowered (*cæteris paribus*) in value by being augmented in quantity was known solely to speculative philosophers. The practicals had never heard of it, or, if they had, disdained it as a visionary theory. Not an idea was entertained that paper money, which rested on good security, which represented, as the phrase was, real wealth, could ever become depreciated by the mere amount of the issues.

But now this is understood and reckoned upon, and is the very foundation of the scheme. Everybody, with a few ridiculous exceptions, now knows that increasing the issue of inconvertible paper lowers its value, and thereby takes from all who have the currency in their possession, or who are entitled to receive any fixed sum, an aliquot part of their property or income; making a present of the amount to the insurers of the currency, and to the persons by whom the fixed sums are payable.

The cause of depreciation then is over-issue. It is important for us to know this; for in finance, as in medicine, the knowledge of the disease is half the cure. The Continental money, the assignats, all the paper money ever issued by any stable government—if it has depreciated, has uniformly lost its value from this one efficient cause, redundancy. And if, on looking back through the history of our old continental paper money, and of the assignats, we see that they passed through the swiftly recurring stages of par value, depreciation and demoralization, till they finally expired without a groan, we may rest well assured that these results were produced by over-issue.

Great, however, as were the evils which made the old continental currency of so fearful and ominous a memory to our Revolutionary fathers; the wide-spread ruin which would be produced among us at present by such a calamity would be infinitely more intolerable. For a highly organized civilization is exquisitely sensitive, while a simple agricultural community is more hardy. In 1775, the population of this continent was below three millions, and the external trade twenty millions, while the internal traffic was small. There were few manufactures, and the farmers required scarcely anything which they did not raise. Hence most of them could lose little by the war, except the growing crops, which might be renewed the next year. It is on this account argued that the Southern States suffered less by the frightful expansion and final collapse of their paper money bubble than if they had lived by manufactures and commerce, and con-

sequently if their industrial system had reposed more completely on the sensitive and tremulous foundation of public and private credit.

The cardinal defect of all these issues of paper currency was, that the quantity was regulated, not by the demands of trade, but by the exigencies of war and the financial wants of the Government. This was the case with our own present paper issues to a great extent, and in consequence we have now in circulation eight hundred millions of active currency, though the business of the nation does not require two-thirds of that sum, and will probably require less still when the derangement of industry due to the war shall have passed away; for in the normal activity of peace and prosperity, it is one important characteristic that much less currency is necessary for the transaction of business than in presence of war.

In view of these principles and facts it is strongly urged that the weakest point in our financial position at present seems to be that Congress has lost sight temporarily of its clearly defined policy with regard to the currency. Merchants and capitalists, manufacturers and professional men are alike interested with the widows, the orphans and the weaker members of our community in the momentous questions which arise out of the past depreciation and the future restoration of our paper money. To the question, what is a dollar? it is impossible to give any answer that will hold good for a week. The legal tender dollar may be worth 10 or 15 per cent more next month than to-day. How then shall our business men, without incurring serious risk, make engagements, as they must do, and incur obligations extending over two, three or four months? How shall the multitudes of our citizens who live on fixed incomes and annuities adapt their expenses to their incomes?

This uncertainty was submitted to during the war, as an abnormal condition which might not be avoided, but now that peace is restored, an anxiety is spreading throughout all departments of our social, political and commercial life, which is not a little significant. An evening paper thus refers to some of the symptoms of this wide spread solicitude:

"Wall street is unsettled by the incertitude which still hangs over the policy of the Treasury, relative to the reduction of the currency, and reports are industriously circulated that the volume of paper money is to be increased by the addition of fifty millions to the three hundred millions of national bank notes already authorized. The compound notes are now so much in demand, and are becoming so generally popular throughout the country, that considerable surprise is expressed that no steps are taken to reduce the active currency by exchanging for these compound notes a part of the greenback legal tender circulation. This conversation has been abundantly proved by experience to be a safe and effectual method of contracting the currency and checking inflation and there is no necessity to wait for the passage of the new loan bill or of any other law whatsoever, as the act of June 30, 1864 authorizes the conversion into compound notes of the whole or any part of the outstanding greenback circulation. It is claimed, moreover, that the present time is peculiarly propitious for such a change, as money is easy and the government credit good. Besides, the contracting action of the compound notes is so gentle and gradual that there is no danger of the money market being perturbed or invaded by stringency from the adoption of this conservative policy."

Now in this emergency there are two things for which the people look to Congress. First, all parties expect an early positive pledge that under no pretext whatever shall the volume of our outstanding paper money receive any increase whatever, either by the issue of national bank notes or in any other way: and secondly, that our representatives shall in some clear positive way ex-

press their intention to favor and to urge forward the persistent adoption of the best conservative safe method that can be devised for reducing the amount of the currency and bringing its value gradually to par. The process of contracting the currency by means of compound interest notes has been recommended by us because it has proved more effective and more advantageous in the past than any other known method. If any better contracting machinery can be discovered, by all means let it be adopted; but what the nation specially asks for, is steady persistent reduction of the currency, and the restoration as soon as possible of the gold dollar as the standard of value.

The Money Market through the month has been without material change until during the last week of the month, when suddenly, and without any very apparent cause, there was a sudden return to temporary stringency. These flurries well illustrate what was said above, that under a deranged and depreciated currency it is next to impossible to foresee the changes of the loan market, which is sensitive to imaginary as well as to the ordinary real causes of stringency. For instance, on Tuesday of the week in question loans on call were, as they had been for some time before, in fair demand at 6 per cent in Wall street. Money was easy, and neither lenders nor borrowers saw even a speck of cloud in the financial horizon. Suddenly, however, about an hour before the closing of the banks, a change came on. Everybody seemed to want to borrow, and scarcely anybody was willing or able to lend. The supply of loanable capital was, as it commonly is, in excess of the demand. The currency in the vaults of our banks was ample; the legal tenders having accumulated to a heavy amount, and the supply of National Bank currency being very much greater than in the present dull state of business is required for the limited transactions now doing. This condition of the market arose out of the sales of gold by the Treasury, which were greatly exaggerated, and the rumor that instant payment in greenbacks was demanded by the Treasury agent. For a short time on Tuesday the condition was one of great stringency. The next day, however, it was discovered that by the excellent arrangements made by Mr. Van Dyck, the Assistant Treasurer, all the payments on account of the negotiation of gold were made promptly, and with apparent ease; not a single bank made application for an extension; and what was a still more satisfactory and significant proof of the strength of banks, there were no withdrawals of their temporary deposits from the Sub-Treasury. All excitement, therefore, subsided, although the money market continued at 7 per cent. The following are the rates during the month:

RATES OF LOANS AND DISCOUNTS.

	Feb. 2.	Feb. 9.	Feb. 15.	Feb. 24.
Call loans.....	5 @ 6	.. @ 6	5 @ 6	. @ 7
Loans on Bonds and Mortgage....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A. 1, endorsed bills, 2 ms.....	6½ @ 7½	6½ @ 7½	6½ @ 7½	7 @ 7½
Good endorsed bills 3 & 4 mos....	7½ @ 8	7½ @ 8	7½ @ 8	7½ @ 8
“ “ single names	8 @ 9	8 @ 9	8 @ 9	8 @ 9
Lower grades.....	10 @ 15	10 @ 15	10 @ 15	10 @ 15

In Government bonds there has been a continuous rise in Europe, in face of a very stringent money market, which has imparted renewed confidence in these securities on this side. The following shows the prices at London of five-twenties and other American securities for four weeks:

PRICES OF AMERICAN BONDS AND STOCKS AT LONDON.

	Week ending Jan. 20.						Week ending Jan. 27.					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '82.	65½	65½	66	66½	66	65½	66½	66½	66½	65½	66½	66½
Atlan. & G. West, N. Y.												
section, 1st mort, 1880..	77	77	77	77	77	77	77	77	75	77	76	76
do. Penn. section, 1st	80	81	80	80	79	79	79	79	79	79	78	78
mort., 1877.....												
Erie shares, \$100, all paid	57½	57½	58	57½	57½	57½	57½	56	55½	56½	55½	55½
Illinois Cen., 1875, 6 p c..	81	81	81	81	81	81	81	81	81	81	81	81
do. \$100 shares.....	76½	76½	76½	77½	76½	76½	75½	75½	74½	75½	74½	75½
Mariet. & Cin., 7 p cent..	73	73	73	73	73	73	73	73	73	73	73	73
Penn. R.R. Bds., 2d mort.,												
convertible....	85	85	85	84	84	84	84	84	84	84	84	84
do. \$50 shares.....	87½	87½	87½	87½	87½	87½	87½	87½	87	87½	87½	87½
Phila. & Erie, 1st mo t.,												
guar. by Penn. R.R ...	75	75	75	75	75	75	75	76	76	76	76	76

	Week ending Feb. 3.						Week ending Feb. 10.					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, '82..	66½	66½	66½	66½	66½	66½	67½	67½	67½	67½	67½	67½
Atlan. & G. West., N. Y.												
section, 1st mort, 1880..	76	76	76	76	76	75	75	75	75	75	75	75
do. Penn. section, 2d	74	74	74	74	73	73	73	73	73	....	73	73
mort., 1872												
Erie shares, \$100, all paid.	55½	56½	*53½	53½	53½	53½	53½	53½	53½	53	53	52½
Illinois Central, 1875.....	81	81	81	81	81	81	81	81	81	81	81	81
do. \$100 sha., 8 p c...	74½	75½	75	74½	75	75	75½	75½	75½	74½	74½	74½
Marietta & Cincinnati ...	73	73	73	73	73	73	73	73	73	73	73	73
Pennsylvania Railroad, 2d												
mort.....	84	84	84	84	84	84	85	85	85	85	85	85
do. \$50 shares	87½	87½	87½	87½	86	86	86	86	86	86	86½	86½
Phila. & Erie, 1st mort.,												
1881, 6 p c.....	76	76	76	76	76	76	76½	76	76	76	76	76

The following table gives the prices of national bonds and other securities for the months of February, the quotations being based on the last official sale of each day at the Stock Exchange :

Day of month.	—6's, 1881.—		—6's, 5-20 yrs.—		—5's, 10-40 yrs.—		7-30's,	1 yr
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	1867.	certif.
Thursday .. 1	103½	.....	103	.....	93½	.....	99½	98½
Friday 2	.....	.....	103	.....	93½	.....	99½	98½
Saturday... 3	104	103½	103½	.....	94	.....	99½	98½
Sunday. ... 4	.....	.....	.....	.....	.....	.....	.....	.....
Monday ... 5	103½	.....	103½	.....	94½	.....	99½	98½
Tuesday ... 6	103½	.....	103½	.....	.....	.....	99½	98½
Wednesday 7	104	.....	103½	103½	94½	.....	99½	98½
Thursday .. 8	104½	.....	103	.....	94½	.....	.....	.....
Friday..... 9	104½	104½	102½	.....	94½	.....	99½	98½
Saturday...10	.....	.....	102½	.....	94½	.....	99½	98½
Sunday ....11	.....	.....	.....	.....	.....	.....	.....	.....
Monday....12	104	.....	102½	.....	94½	.....	99½	98½
Tuesday...13	.....	.....	102½	.....	94½	.....	99½	.....
Wednesday14	104	.....	103	.....	94½	.....	99½	98½
Thursday ..15	104½	.....	103½	.....	94½	.....	99½	98½
Friday.....16	104½	104½	103½	.....	94½	.....	99½	98½
Saturday...17	104½	104½	103½	.....	94½	91½	99½	98½
Sunday.....18	.....	.....	.....	.....	.....	.....	.....	.....
Monday....19	104½	.....	.....	.....	.....	.....	99½	98½
Tuesday...20	104½	104½	103½	103½	94½	.....	99½	98½
Wednesday21	104	104½	.....	.....	.....	.....	99½	98½
Thursday ..22	.....	.....	(Washington Day.)			.....	.....	.....
Friday.....23	104½	.....	102½	.....	94½	.....	99½	98½
Saturday...24	...	104½	102½	.....	94½	.....	99½	98½
Sunday.....25	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 26	.....	.....	102½	.....	93½	.....	99½	.....
Tuesday...27	104	104½	103	.....	.....	.....	99½	.....
Wednesday28	104½	.....	103	.....	94	.....	99½	98½
Lowest.....	103½	103½	103½	103½	93½	91½	99½	98½
Highest	104½	104½	103½	103½	94½	91½	99½	98½

* Ex dividend.

It will be seen from the above that notwithstanding a rise in the London market from $64\frac{1}{2}$ to $67\frac{1}{2}$ during the month for U. S. 6 per cents of 1882, there has been no corresponding advance in New York. This fact is explained by the fall of gold in the latter market, which is considered equivalent to the foreign upward movement. The growing scarcity of greenbacks has also a tendency to depress prices below actual value.

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Customs receipts.	Interest payments.	Sub-Treasury —Gold Certificates— issued. returned.	In banks at close of week.
Jan. 6.....		\$552,027	\$2,107,841	\$3,597,240	\$3,122,440 \$1,34,8832	\$15,778,741
" 13.....	\$685,610	640,503	2,384,694	1,180,789	8,206,180 1,578,194	16,852,568
" 20.....	799,708	685,894	2,754,369	574,162	2,706,400 1,928,641	15,265,372
" 27.....		656,812	3,226,040	279,842	2,598,400 2,187,048	13,106,750
Feb. 3.....	944,878	292,568	3,347,422	115,204	2,081,280 2,221,423	10,987,474
" 10.....	1,449,074	4,8409	3,251,734	120,179	1,916,700 2,376,735	10,129,806
" 17.....		445,489	2,893,008	94,828	2,992,900 2,158,009	10,308,758
" 24	1,209,048	580,195	2,608,799	....	5,893,280 1,995,796	14,213,351
Since Jan 1.....	\$5,088,816	\$4,846,897	\$22,522,403	\$5,912,244	\$24,517,58 \$15,744,678	\$.....

The monthly report of the public debt which we publish elsewhere, offers several features of great practical importance. First, it shows that some progress is making in funding, inasmuch as the very large amount of \$10,672,700 of long Five-twenties of 1864 have been negotiated at the rate, as we hear, of 102 and interest, the latter being payable in gold. This financial operation has greatly contributed to strengthen Mr. McCulloch's position, and with other favoring circumstances it has enabled him to withdraw no less than \$11,956,000 of Seven-thirties from the hands of the public and to diminish the circulation of greenbacks \$466,850, making the aggregate of greenbacks at present \$423,435,373. A second point of interest is the increase of the balance in the Treasury. Of coin there is now in hand \$4,293,031 more than on the 1st of February, and of currency \$4,232,481 more; but on the other hand the coin certificates have increased \$4,236,520 in consequence of the recent Government sales of coin. The certificates of indebtedness have also increased \$1,627,000, and there is a prospect of a further increase. These securities are regarded with great favor, and as they are scarce, a considerable amount of them might be gradually negotiated with equal advantage to the Treasury and satisfaction to the public.

These are the leading features of the report, and it cannot be denied that the exhibit is on the whole satisfactory. It has been urged that the sale of so large an amount of gold-bearing bonds privately and without any notice to the country was inexpedient, and may tend to depress these securities in the market now that the nature and extent of the negotiations have transpired. It is replied, however, that in the present aspect of financial affairs these bonds could not have been sold on as advantageous terms if public notice of the sale had been given, and, moreover, the bonds having been already absorbed by investors, and the demand continuing active, there is no danger of a decline in these popular gold-bearing securities from this cause.

Without inquiring further as to which of these views may turn out to be correct, we must call attention to one or two points in which the statement is less

favorable than could have been desired. First, the temporary loan has been increased by \$3,822,099, and now amounts to \$18,000,000. This sum is altogether too large to be held on call without danger of embarrassment, and it is generally wished that Mr. McCulloch, at an early day, may avail himself of his strong position and pay off a considerable proportion of these mischievous and useless call loans. We observe also that the compound interest notes have been reduced six millions. It is not at all evident what advantage is to be gained by this movement. The compound notes are useful and indispensable agents of contraction, and it would have been much more conducive to the strength of the Treasury if we could have reported that six millions of greenbacks instead of compound notes had been withdrawn and cancelled.

Railroad stocks have fluctuated considerably during the month. The decline early in the month was followed by a decided improvement in prices; but the advancing tendency was checked by the pinch in the money market the last week. We give the course of prices below :

PRICES OF RAILWAY SHARES FOR FEBRUARY.

	Feb. 2.	Feb. 9.	Feb. 16.	Feb. 24
New York Central	87½	88	90½	90½
Hudson River	100	100½	104	105
Erie	77	78	80½	81½
Reading	99	100	101½	100
Mich. So. and N. I.	68½	68½	71½	69½
Illinois Central	115	115	114½	114
Cleveland and Pittsburg	81½	79½	81½	78½
Chicago and N. W.	28	27½	29½	27½
Chicago and R. I.	99½	101½	106½	105½
Pittsburg, Fort Wayne and Chicago	92½	92½	94½	93½

The most important rise has been in Rock Island under stimulus of large purchases from parties contending for control in the annual election of the board. We give below the returns of such companies as have made reports of their earnings for January, and compare them with the returns for the same month last year :

Railroads.	1865.	1866.		
Chicago & Rock Island	\$305,554	\$249,554	dec	\$55,890
Erie (including Buffalo, New York and Erie)	1,070,891	1,187,188	inc	116,297
Illinois Central	546,410	582,828	inc	\$6,418
Michigan Central	306,824	282,488	dec	23,896
Michigan Southern	355,989	314,598	dec	81,391
Milwaukee and St Paul	98,181	132,000	inc	33,819
Pittsburg, Fort Wayne & Chicago	684,260	572,260	dec	112,000
do do (another account) ..	684,260	549,260	dec	185,000
Rome, Watertown & Ogdensburg	51,492	70,702	inc	19,210
Western Union	43,715	45,101	inc	1,386

It will be perceived that the Erie has changed the terms of its return. In former years it published the earnings of the Erie alone. In January, 1865, they were \$908,341. This year it includes the Buffalo division, for what reason is best known to officials of the company themselves.

Gold has been declining gradually throughout the month, but in no short period of time have the transactions been excessive. It opened at 140½ and for the first ten

days vibrated between 140½ and 138½, closing on the 10th at 138½. The next seven days brought the price down to 137½ and the week following to 135½, as lowest points. During the last of these periods the Government sold coin to the amount of eight millions of dollars. From this date there was a tendency towards an advance, but on the 28th the market closed at 136.

COURSE OF GOLD FOR FEBRUARY.

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of February, 1866 :

COURSE OF EXCHANGE FOR FEBRUARY.

Days.	London. cts for 54d.	Paris. centimes for \$.	Amsterdam. cts for florin.	Bremen. cents for rix \$.	Hamburg. cents for M. banco	Berlin. cents for thaler.
1	108 @ 108½	595½ @ 591½	40½ @ 40½	77½ @ 78½	85½ @ 86½	70½ @ 71
2	107½ @ 108½	595 @ 590	40½ @ 40½	77½ @ 78	85½ @ 86½	70½ @ 71½
3	107½ @ 108½	595 @ 590	40½ @ 40½	77½ @ 78	85½ @ 86½	70½ @ 71½
4						
5	107½ @ 108½	597½ @ 590	40½ @ 40½	77 @ 78	85½ @ 86	71 @ 7½
6	107½ @ 108	590 @ 593½	40½ @ 40½	77 @ 78	85½ @ 86	70½ @ 71
7	107½ @ 108	590 @ 593½	40½ @ 40½	77 @ 78	85½ @ 86	71½ @ 71
8	107½ @ 108	590 @ 593½	40½ @ 40½	77 @ 78	85½ @ 86	70½ @ 71
9	107½ @ 107½	590 @ 595	40½ @ 40½	77 @ 77½	85½ @ 86	70½ @ 71
10	107½ @ 107½	590 @ 595	40½ @ 40½	77 @ 78	85½ @ 86	70½ @ 71
11						
12	107½ @ 107½	592½ @ 595	40½ @ 40½	77½ @ 78	85½ @ 86	70½ @ 71
13	107½ @ 107½	592½ @ 595	40½ @ 40½	77½ @ 78	85½ @ 86	70½ @ 71
14	107½ @ 108	597½ @ 593½	50½ @ 40½	77½ @ 78	85½ @ 86	70½ @ 71½
15	107½ @ 108	597½ @ 593½	40½ @ 40½	77½ @ 78	85½ @ 86	70½ @ 71½
16	107½ @ 108½	597½ @ 593½	40½ @ 40½	77½ @ 78½	85½ @ 86½	70½ @ 71½
17	107½ @ 108½	597½ @ 591½	40½ @ 40½	77½ @ 78½	85½ @ 86½	70½ @ 71½
18						
19	108½ @ 108½	593½ @ 518½	40½ @ 40½	78 @ 78½	85½ @ 86½	71½ @ 71½
20	108½ @ 108½	593 @ 518½	40½ @ 40½	78 @ 79	85½ @ 86½	71½ @ 71½
21	108½ @ 108½	593 @ 518½	40½ @ 40½	78½ @ 79	85½ @ 86½	71 @ 71½
22		(Washington's Birthday—a legal Holiday.)				
23	108½ @ 108½	595 @ 518½	40½ @ 40½	78 @ 78½	86 @ 86½	71 @ 71½
24	108½ @ 108½	598½ @ 518½	40½ @ 40½	78½ @ 78½	86 @ 86½	71½ @ 71½
25						
26	108½ @ 108½	598½ @ 517½	40½ @ 41	78 @ 78½	86 @ 86½	71 @ 71½
27	108½ @ 108½	598½ @ 518½	40½ @ 41	78 @ 78½	86 @ 86½	71 @ 71½
28	108½ @ 108½	596½ @ 518½	40½ @ 41	78 @ 78½	86 @ 86½	71 @ 71½
Feb	107½ @ 108½	599½ @ 517½	40½ @ 41	77 @ 79	85½ @ 86½	70½ @ 71½
Jan	108 @ 109½	592½ @ 515	40½ @ 41	78 @ 79½	86 @ 86½	71 @ 71½

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Taxation of net or gross deposits of banks—Position of the banks—National banks, their capital, circulation, etc.—Returns of the banks of New York, Philadelphia, and Boston—Foreign bank returns, etc.

THE question of taxing the deposits of our banks has been under discussion the past month—the Treasurer, Mr. Spinner, claiming that the tax should be on the *gross* and the banks that it should be on the *net* deposits. We observe with satisfaction that in consequence of the explanations of the Committee of the Banks that went on to Washington, the dispute has been satisfactorily adjusted. This tax will be computed hereafter on the net deposits as was the plain intention of the law. Had the tax on gross deposits been enforced it would have imposed on the banks of this city an extra burden of some half a million of dollars, and what is of more importance, this tax would have been very unequally distributed, falling with crushing weight on such institutions as have the accounts of dealers in government securities. It must thus have curtailed much of the bank accommodation these dealers have been accustomed to receive and could not but have checked their business. The extent of the injury inflicted on the injury inflicted on the Government finances from this source alone during the operation of funding the floating debt would have been very poorly compensated by the comparatively small augmentation of the revenue involved; while the irritation of the public mind by the derangement of business would, in times like the present, have been highly damaging.

We have said that the obvious intention of the law is to compute the tax on the net deposits and not on the so-called gross deposits. A few words will make this clear. The tax is made payable by banks on their "average deposits." Now let us take the case of Jones and Smith, Wall Street dealers in Government securities. This firm to-day place in bank one million of dollars in checks and other funds and draw against this amount nine hundred thousand dollars, leaving the balance to their credit \$100,000. Yesterday, and for a long time past, as we find on inspecting the bank ledger, the result was much the same. Sometimes the amount of business done is two millions, and, occasionally, not more than half a million; but the balance to the credit of Jones and Smith, after any given day's business is always about \$100,000. Now it is clear that if we want to know the average deposit in bank of this firm, \$100,000 is the amount at which we should state it. The large sums put into the bank, and drawn out again during the day, form really no part of the assets, or available funds of the bank. This institution has no control over a dollar of these funds. It makes no charge for managing them, and merely acts as the disbursing agent of the dealer in receiving them and paying them out. Now to tax the gross deposits of the bank would be to tax these sums from which the bank receive no benefit, and would compel the bank to pay for the use of money which it really does not use at all or enjoy any control over.

It makes no difference as to the principle of this affair to say that Jones and Smith's account in the bank books on the day appointed by law for making the

Government returns shows a balance in their favor of \$1,000,000 instead of \$100,000; because the books are not posted up, and cannot be posted up till the next morning, when the outstanding \$900,000 of obligations will come in through the Clearing House. The latter sum is not in the hands of the bank as assets; it only lies there in trust for the persons to whom it is owing, and appears daily in the deposit accounts of these persons in some other of the Clearing House Banks. It is, therefore, plain that to tax the gross deposits is to charge the duty twice over; for it would compel two different banks to pay taxes for the same sum of money on the same day.

In some quarters it has been imagined that the city banks would be favored more than the country banks, if it were permitted to the former to report for taxation the amount of their net deposits. From what has been said, however, it is plain that this is a gross mistake. A country bank, from the nature of its business, can post up its books at the close of business each day. The distinction between net deposits and gross deposits is important only if Clearing Houses are established, and even there it would cease to exist, were it possible to make the clearings and to complete the entries in the books at night before the close of bank hours. This arrangement, however, would be found impossible in our large cities, where the volume of transactions is large; and it would seriously disturb the established methods of doing business with no compensating advantage. Mr. Spinner in receding so promptly and so cordially from the position he was supposed to have assumed, has only added another to the numerous existing proofs of his ability and faithfulness in office.

We do not wish it to be inferred, from anything we have said, that we object to the imposition on the banks of their full fair share of taxation. These institutions derive great profits from the issue of circulation, and from other privileges conferred on them by law. They are, therefore, under special obligations and are willing, we believe, to pay any equitable taxes that may be laid upon them. The sole objection to the tax on gross deposits, which we have been discussing, is that it was not equitable.

The following is an official statement just issued of the apportionment of National Bank circulation in the various States and Territories, made under section 21 of amendment to currency act, approved March 3, 1865. We add a column showing the circulation that had been issued to the banks on the 1st of October, 1865, also obtained from official sources. It will be seen that several of the States have already exceeded the amount apportioned to them:

States and Territories.	Apportion. by Comp. of Cur. accord. to re- presentative population.	Apportion. by Sec. of Treas. ac- cord. to capital and resources.	Aggregate.	Circulation issued before Oct. 1, 1865.
Maine.....	\$3,000,000	\$2,415,000	\$5,415,000	\$4,761,550
New Hampshire.....	1,557,000	1,755,000	3,312,000	2,501,800
Vermont.....	1,504,500	1,485,000	2,989,500	2,244,800
Massachusetts.....	5,880,000	15,915,000	21,795,000	44,665,180
Rhode Island.....	834,000	3,960,000	4,794,000	4,837,250
Connecticut.....	2,197,500	5,025,000	7,222,500	11,223,860
New York.....	18,538,500	34,935,000	53,473,500	87,548,940
New Jersey.....	2,210,000	3,480,000	5,690,000	4,763,920
Pennsylvania.....	18,832,500	12,645,000	31,477,500	29,450,830
Maryland.....	2,282,000	2,855,000	5,137,000	2,672,400
Delaware.....	535,500	555,000	1,090,500	434,250
District of Columbia.....	858,500	300,000	1,158,500	1,161,000

Virginia	}	7,624,500	5,895,000	12,619,500	622,100
West Virginia					
Ohio		11,178,500	6,450,000	17,628,500	15,479,750
Indiana		6,450,000	2,165,000	9,615,000	6,898,750
Illinois		8,178,000	3,660,000	11,838,000	7,865,055
Michigan		2,548,500	1,635,000	5,200,500	1,724,800
Wisconsin		2,708,500	2,505,000	6,211,500	1,961,400
Iowa		2,223,500	1,185,000	4,408,500	2,064,500
Minnesota		810,000	240,000	1,050,000	1,046,750
Kansas		511,500	135,000	646,500	83,000
Missouri		5,648,000	2,765,000	9,411,000	1,223,700
Kentucky		5,520,000	4,980,000	10,500,000	1,293,550
Tennessee		5,201,000	2,465,000	8,766,000	851,000
Louisiana		2,381,000	7,200,000	10,581,000	180,000
Nebraska Territory		190,500	45,000	181,500	27,000
Colorado Territory		163,500	30,000	198,500	45,000
Mississippi		2,780,000	1,485,000	5,255,000	25,000
Georgia		4,950,500	4,470,000	9,420,500	30,000
North Carolina		4,741,500	2,805,000	7,546,500	.....
South Carolina		2,381,000	4,185,000	7,566,000	.....
Arkansas		2,079,000	645,000	2,724,000	.....
Alabama		4,005,000	2,820,000	7,425,000	.....
Utah Territory		192,000	45,000	257,000	.....
Washington Territory		52,500	30,000	82,500	.....
Oregon		250,500	120,000	370,500	.....
California		1,698,000	1,305,000	3,003,000	.....
Nevada Territory		33,000	15,000	48,000	.....
Arizona .....		.....	.....	.....	.....
New Mexico		396,000	90,000	486,000	.....
Texas		2,946,000	975,000	3,961,000	.....
Florida		670,500	285,000	955,500	.....
Dakota		12,000	15,000	27,000	.....
Total		149,998,500	149,970,000	299,968,500	198,847,055

Under what authority or on what pretext this large over-issue has taken place we cannot undertake to say. Very likely it will be made the reason or excuse for an attempt to extend the law and authorize the issue of another fifty or one hundred millions of currency.

The bank statements of the three cities show no very important changes. In New York a large amount of specie was withdrawn, so that on the 10th of February there was on hand over six and one half millions less than on January 13th. The month closes, however, with a return of about four millions of this loss due to the Government sales of gold, while at the same time the legal tenders fell off from 68,000,000 to 61,000,000—being used, in great part, to pay for the gold purchased. Below we give the bank returns of the three cities during the year:

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tenders.	Ag. clear'g's
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,492,254	\$71,617,487	\$370,617,525
" 13.....	234,933,193	16,852,568	19,162,917	197,766,999	73,019,937	608,082,837
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27.....	240,407,836	13,106,759	20,963,833	195,012,454	70,319,146	516,323,672
Feb. 3.....	242,510,882	10,937,474	21,494,234	191,011,695	68,796,250	508,569,192
" 10.....	242,608,872	10,129,806	22,240,469	183,701,463	68,498,013	493,431,032
" 17.....	243,068,252	10,908,758	22,983,274	189,777,290	64,802,960	471,886,751
" 24.....	239,776,900	14,213,351	22,959,918	183,241,404	61,602,726	497,150,067

The returns of the Philadelphia Banks have been as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$41,941,001	\$890,822	\$7,226,369	\$35,342,306
" 8.....	17,236,320	46,774,150	983,685	7,319,598	36,618,004
" 15.....	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22.....	17,052,559	47,254,622	1,012,960	7,411,337	36,214,653
" 29.....	16,244,277	47,607,558	1,008,825	7,432,534	35,400,831
Feb. 3.....	16,481,005	47,223,661	1,000,689	7,668,365	34,631,125
" 10.....	16,852,737	47,249,388	996,312	7,819,599	34,464,070
" 17.....	16,777,173	46,981,387	953,907	7,842,002	33,938,542
" 24.....	17,282,602	46,865,592	1,026,408	7,732,070	33,058,252

The returns of the Boston Banks have been as follows :

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1.....	\$91,421,477	\$801,415	\$19,807,800	\$38,451,794	\$21,497,354	\$1,404,721
" 8.....	92,245,129	1,031,327	19,914,065	41,718,182	21,806,180	1,823,793
" 15.....	92,959,364	1,029,106	20,438,014	40,939,870	21,946,595	1,273,948
" 22.....	92,665,111	1,040,114	20,750,698	40,300,619	22,034,642	1,215,675
" 29.....	92,877,783	1,003,013	20,544,330	39,153,816	21,899,318	1,157,848
February 5.....	94,578,358	805,237	20,568,135	40,436,163	22,325,428	1,125,728
" 12.....	94,063,827	632,591	20,412,589	33,768,019	22,348,638	1,057,328
" 19.....	95,250,429	508,428	20,418,909	33,494,696	22,602,531	1,033,391
" 26.....	93,539,000	521,292	20,262,177	36,398,481	22,637,971	1,048,032

The following instructions have been issued to National Banks :

TREASURY DEPARTMENT,
OFFICE OF COMPTROLLER OF THE CURRENCY, }
WASHINGTON, Friday, Dec. 15, 1865.

The following instructions are issued for the guidance of National Banks in making their reports to this office. The books of this Bureau are so arranged that the several items and accounts correspond with the "forms" prepared, and all variations from the prescribed forms in making such reports will increase the labor and multiply the liability to error.

In the preparation of these "forms," it is the intention to secure strict conformity with the law.

REPORTS GENERALLY.

Banks will furnish their reports upon the latest forms supplied from this office, and be prompt in forwarding the same. Reports will be expected from associations fully organized, whether they have commenced business or not.

The penalty prescribed in section thirty four of the National Currency Act will be duly enforced in all cases of failure to comply with its provisions.

The receipt of reports will not be acknowledged, but in cases of non-receipt due notice will be given.

The proper revenue stamps must be affixed to all reports and statements, or they will be returned.

Affidavits to reports and statements must be made before a notary public, justice of the peace, or other officer duly empowered to take acknowledgments of deeds.

QUARTERLY REPORTS.

I. Notes and Bills Discounted.—This item should include only discounted business paper. Money deposited with the Treasurer or any Assistant Treasurer of the United States, not subject to sight draft, should be included among "Other U. S. Securities."

II. Suspended Debt.—All paper past due, upon which interest has not been paid for a period of six months, as defined in section 38.

III. Indebtedness of Directors.—Loans made for the use or benefit of directors, and for the payment of which they are primarily responsible.

IV. Overdrafts.—The amount of overdrafts must be stated as such and not deducted from the deposits.

V. Premiums.—Premium or interest paid on United States bonds and securities should appear under their appropriate heads, and not be included in the face value of the same.

VI. Balances due to and from Banks.—When unable, for lack of space, to insert the names of banks and bankers, and the amounts due to or from them, exhibit the same on schedules marked A, B, C, and D, and report the aggregate of each schedule in its place, referring to each by its designation.

VII. Bonds and Securities.—All bonds and securities, whether State or national, should be entered at their par value, without regard to premium or interest (See Premiums). No bonds should be reported as "Deposited with the United States Treasurer to secure circulating notes," or for other purposes, until the the Treasurer's receipt for the same has been received by the bank.

Bonds in the hands of government, to be deposited on bonds paid for and not received, may be reported with "other United States Securities."

VIII. *Specie*.—Specie should be reported at its precise amount, without any regard to the premium it may command.

IX. *Capital Stock*.—When the payments on original capital stock have not been fully made and certified to as prescribed in section 14 of the act, or when a bank is preparing to increase its capital stock, but has not yet obtained from this office the certificate of the Comptroller specifying the amount of such increase, and his approval thereof as prescribed in section 18 of the act, such payments should not be reported as capital stock paid in but should be so entered on the report as to show how much of the capital stock has been officially acknowledged, and how much has been paid for after receiving this acknowledgment.

X. *Surplus Fund*.—The provisions of section 38 must be complied with, and the requisite amount carried to "Surplus Fund."

XI. *Circulating Notes*.—The total amount of notes received from this office must be stated, and all on hand, whether signed or not, so entered.

XII. *State Circulation Outstanding*.—This item is intended only for banks converted from a State to the National system, and having circulating notes of the old State Bank still unredeemed.

XIII. *Lawful Money Reserve*.—In this connection the Comptroller desires to remind the banks that the provisions of the act, in respect to the maintenance of a reserve, are *explicit* and *absolute*; that they cannot be disregarded without an open violation of law; and that it is his duty to see that the reserve be properly maintained.

ITEMS TO BE PROTECTED BY "LAWFUL MONEY RESERVE."

1. National bank notes in circulation.
2. State bank notes in circulation.
3. Individual and United States deposits.

THE LAWFUL MONEY RESERVE SHOULD BE:

1. Specie.
2. All United States legal-tender issues, including the interest bearing legal tender notes.
3. Balances in approved associations, in cities named in section 31, due to banks not located in said cities, to the extent of three-fifths of the required reserve of fifteen per cent.
4. Balances in approved associations in New York, due to associations in any of the cities named in section 31, to the extent of fifty per cent of the required reserve of twenty-five per cent.
5. Clearing-house certificates, under section 31 of the act.
6. Balances due from the Treasurer or any Assistant Treasurer of the United States, payable on demand.

It is necessary that the reserve, authorized to be kept in National Banks, should be in banks selected and approved as redeeming agents.

PUBLICATION OF REPORTS.

Each bank must publish its quarterly reports, (see section 34,) and transmit to this office proof thereof, either by forwarding a copy of the paper containing the same, or by a sworn statement of the publishers or their agents. In such publication, the aggregate only of the several items due to and from National Banks and other banks and bankers need be set forth.

MONTHLY STATEMENTS.

Monthly statements should exhibit the average of "loans and discounts," of "specie," of "other lawful money," of "deposits," and of "circulation," (national) since the last monthly return; the amount of "State circulation outstanding," (of converted banks), and when made by banks not located in cities named in section 31, should further state the precise amount of balance due them by their "approved redeeming agent."

To ascertain the average of any particular item for the month, it will be sufficient if the weekly footings of the items are added together, and the sum is divided by the number of weeks, instead of adding the daily footings and dividing by the number of days.

XIV. *Average of Loans and Discounts*—(See article 1.)

XV. *Average amount of Lawful Money*.—In computing this average all such United States money as has been prescribed to be a legal tender should be included at its face value.

XVI. *Average Amount of Deposits*.—Government as well as individual deposits, should be included in this average.

XVII. *Average Amount of Circulation*. This refers only to National Bank notes outstanding.

XVIII. *Amount due and available for the redemption of Circulating Notes*—This item is not an average, but the actual amount due, at the time of making the report, and should include only such balances as are due a bank from its "approved redeeming agent," together with any balances due from the Treasurer or any Assistant Treasurer of the United States, payable on demand.

XIX. *Outstanding State Circulation at date*.—(See article XII. They should be the actual amount outstanding at date of statement, and not an average.

F. CLARK,

Comptroller of the Currency.

NOTE.—These instructions are intended to supersede all others heretofore issued bearing upon the points here presented.

At a meeting of the Associated Bank officers of this city, the following resolution and statement of the case was adopted in relation to the recent circular letter of the Treasurer of the United States on taxing their *gross* in place of their *net* deposits:

Resolved, That as a reply to said letter the banks state that the returns of deposits made to the Treasurer of the United States for purposes of taxation are based upon the actual amount of balances remaining in the banks belonging to depositors after the close of each day, as soon as ascertained, and are made in the same manner as they would be made were interest to be allowed to the depositors; that the operations of the clearing-house can in nowise affect the same, as they are in all cases, whether for purposes of taxation or to ascertain the amounts due from the banks to their depositors, made in the same manner as they would be were there no clearing-house in operation, any representations to the contrary notwithstanding.

And that any other method of making the returns would be untrue and contrary to the requirements of law, which is that a true sworn statement shall be rendered of the average amount of deposits due from the banks for the six months preceding the date of such return.

Below will be found the reply of the Treasurer to these resolutions of the Banks, with another circular letter:

TREASURY OF THE UNITED STATES, }
WASHINGTON, FEB. 18, 1866.

SIR: Your letter of the 8th instant has been received. Of the imposing paper that came therewith inclosed, purporting to be the resolutions of a meeting of officers of the banks in the city of New York, called to consider a circular addressed to each of them from this office, under date of the 1st inst., and which is twice therein declared to be a reply to said letter and circular, I have to say that, as an argument, it is considered a fine specimen of special pleading, but as a reply it is disingenuous, evasive, and no answer whatever to the direct questions propounded in said circular; that the intention was to conceal the truth of the matter sought to be elicited as evidence, by the fact that this office has the letters of cashiers of banks, stating that the average amounts of deposits were estimated from the balances at the close of each day, without reference to the Clearing-house exchanges, as required by the regulations; and it has also evidence that other banks did not so estimate these deposits. Yet the Presidents of such banks as did not so estimate their average deposits have alike appended their signatures to the statements contained in these resolutions as an answer to the question whether they did or did not so estimate their deposits.

The law requires the returns referred to in the circular to be made for the six months next preceding said first days of January and July, and not for parts of days preceding or succeeding these or any other days, and thus precludes the idea that the accounts made up at the close of business of one day may be manipulated and estimated upon after changes have been made at noon, or after, of the next succeeding day. The phraseology of the law in this regard is in the usual form, and its plain meaning is as well understood by bankers as by commercial lawyers, and it does seem that but for the private interests of the banks involved as fair-minded men would for a moment doubt but that the computations should be made as all other monied and commercial estimates are made from the book as the balances stood at the close of the business of each day.

The law directs the duty to be paid upon the "average" amount of deposits. You insist upon estimating upon the minimum amounts. It appears from the returns made to this office that all the National banks in the United States, excepting a number in the three principal and one other Atlantic city, and perhaps a few isolated cases elsewhere, have made their returns in accordance with the instructions issued from this office and in conformity to the law. Any change now in the way indicated by your meeting would not only be in violation of what is considered a plain official duty, but would be a manifest injustice to the people of the United States generally, and particularly so to nearly sixteen hundred National Banks, which have promptly met the requirements of this office, and

paid what they thereby admitted to be due under the law from them to the people of the United States. But as I did not invite or desire an argument from you, I do not propose to make one to you, as to the right or wrong of the law, or the decision of requirements made under it. What is required and desired is, that plain, direct, exhibit and categorical answers be made to the circular of the 1st inst., and that if the returns have not been made in compliance with the requirements of the office, as in that circular indicated, that then an amended return be made thereto showing the difference between the estimates of deposits as made after the Clearing house Exchanges, and at the close of the business at the preceding day, and that an amount equal to one-quarter of one per cent on that difference be immediately remitted with such amended return to this office. In default of this, duty will compel me to enforce such payment by one or more of the remedies indicated in the law to be applied to all such cases.

I see by the New-York papers that you have caused the resolutions of your meeting to be published, with remarks that would seem to indicate a purpose on your part to resort to the courts. Therefore, as you have presented only one side of the case, I shall, in order to show the other side, cause the letter, preceded by my circular of the 1st instant, and your letter with the resolutions of the meeting of the New York bank officers, and a circular of the 13th instant, to be all published together. As it is not my wish to prejudice or in any way incommode or delay the payment of the interest on the public stocks about to become due to the many banks that have made satisfactory reports, by reason of the remissness of the few that have not made such reports. It is particularly desirable that an early answer should be returned to the circular from this office, No. 5, of the 13th instant, as I shall be compelled to withhold from the several Assistant Treasurers the list of dividends now being prepared, until such time as it can be ascertained which banks shall and which shall not be entitled to receive such dividends, by reason of having or not having made satisfactory returns, and the payment of duty thereon to this office.

Very respectfully yours,

F. C. SPINNER, Treasurer United States.

To C. F. SIMPSON, Esq., Secretary Continental National Bank, New York.

TREASURY DEPARTMENT, TREASURER'S OFFICE, }
WASHINGTON, FEB. 13, 1866.

CIRCULAR NO. 5, 1866.—It is evident that a number of National Banks, in making reply to the circular of the 1st inst. have considered that the day was not closed until after the exchange had been made on the next day after the Clearing house, and thus while reporting their average of deposits, as estimated from the balances at the close of the day, have deducted from such balances the amount of the exchanges of the next day. As this construction is not in accordance with the requirements, it is desired that those banks which have made replies to the circular referred to, in which replies they have stated that the averages of deposits were estimated from the balances at the close of the day, shall also state whether the averages were estimated BEFORE THE EXCHANGES AT THE CLEARING HOUSE. The attention of all such banks as have not yet made reply to the circular of the 1st inst., is requested to the words above in capital letters. In either case, whether a reply has or has not yet been made by a bank, unless the reply already made is complete and without reservation in reference to exchanges at the clearing-house. It is required that a reply shall at once be furnished which shall distinctly state whether or not the average of deposits was estimated from the balances of deposits before the exchanges at the clearing house.

F. E. SPINNER, Treasurer United States.

RAILWAY, CANAL, AND TELEGRAPH STATISTICS.

OPERATIONS OF THE NEW YORK RAILROADS, 1865.

We are indebted to Mr. Robert H. Shearman, Deputy State Engineer, for the following abstract of the reports of the Railroad Corporations: the State of New York, for the year ending Sept. 30, 1865:

STOCK AND DEBTS.

<i>Roads operated by Steam:</i>	
Capital stock now paid in.....	\$96,040,137 94
Funded debt.....	63,304,975 81
Floating debt.....	5,840,334 41
Funded and floating debt.....	94,165,610 23
<i>Roads operated by Horse-Power:</i>	
Capital stock now paid in.....	13,105,105 00
Funded debt.....	5,674,606 93
Floating debt.....	579,845 49
Funded and floating debt.....	6,551,459 43
<i>COST OF CONSTRUCTION AND EQUIPMENT.</i>	
For gradation and masonry....	\$41,828,97 86
Bridges.....	2,336,997 86
Superstructure, including iron	22,940,785 65
Passenger and freight stations,	
buildings and fixtures.....	4,375,602 27

Engine and car houses, machine shops, machinery and fixtures.....	1,972,013 28
Land, land damages and fences	12,067,173 37
Locomotives and fixtures and snow-plows.....	6,305,509 72
Passenger and baggage cars...	2,852,815 83
Freight and other cars.....	5,368,624 94
Engineer and agencies, &c....	8,462,812 44

Total cost of roads using steam-power.....	\$156,363,303 22
Total cost of roads using horse-power.....	19,561,184 96

CHARACTERISTICS.

<i>Roads operated with Steam:</i>	
Roads in miles.....	3,022.43

Roads laid.....	2,615.15
Double track, including sidings	1,163.84
Branches laid.....	497.83
Double track on same.....	21.43
Equivalent single track.....	4,298.25
Engine-houses and shops.....	166
Engines.....	962
First-class passenger-cars.....	820
Second-class cars.....	1-1
Baggage, mail & express-cars.....	292
Freight-cars.....	15,284
<i>Roads operated with Horse-Power:</i>	
Roads in miles.....	256.05
Roads laid.....	186.24
Double track, including sidings	123.64
Branches laid.....	3.16
Double track on same.....	.25
Houses and shops.....	.72
Cars.....	969

BUSINESS OF THE YEAR.*Roads operated with Steam—Passenger Business:*

Miles run by passenger trains.....	7,978,889
Passengers carried in cars.....	16,215,427
Miles traveled by passengers ..	7,21,922.250
Speed of ordinary passenger trains, including stops, miles	20.57
Of same when in motion, miles	25.43
Speed of express passenger trains, including stops, miles	26.25
Of same when in motion, miles	30.44
Average weight, in tons, of passenger trains, exclusive of passengers and baggage	84.77

Freight Transportation:

Miles run by freight trains....	11,482,738
Tons carried by freight trains ..	7,388,352
Tons carried one mile.....	866,647,540
Speed of freight trains, including stops, miles	11.52
Of same when in motion, miles	14.86
Average weight, in tons, of freight trains.....	151.10

Classification of freight:

Products of the forest.....	527,299
Products of animals.....	1,345,861
Vegetable food.....	1,220,500
Other agricultural products ..	392,037
Manufactures.....	732,661
Merchandise.....	1,146,286
Other articles.....	2,024,708
Total.....	7,388,352

Roads operated with Horse-Power:

Miles run by passenger-cars....	18,419,969
Passengers carried in cars ...	107,849,507

COST OF MAINTENANCE OF ROADWAY.*Allotted to Passenger Transportation:*

Repairs of road-bed and way ..	\$2,156,777 82
Cost of iron for repairs	1,576,514 74
Repairs of buildings.....	441,181 26
Repairs of fences and gates ..	56,644 21
Taxes on real estate.....	627,112 74

Total..... \$4,858,230 77

Freight Allotted to Transportation:

Repairs of road-bed and way ..	\$3,097,875 21
Cost of iron for repairs.....	2,345,063 23
Repairs of buildings.....	821,334 19
Repairs of fences and gates ...	87,783 09
Taxes on real estate.....	866,907 14

Total..... \$7,209,052 85

Allotted to pass. transporta....	4,458,230 77
Allotted to freight transportation	7,209,052 85
Other costs not allotted.....	807,560 55
Total cost of maintenance of roadway.....	\$12,874,844 17
Roads operat. by horse-power	262,351 41

COST OF REPAIRS OF MACHINERY.*Allotted to Passenger Transportation:*

Repairs of engines.....	1,818,080 86
Repairs of cars.....	1,30,30 81
Repairs of tools, &c.....	165,03 97
Incidental exp., oil, fuel, &c..	117,59 64

\$2,901,135 28

Allotted to Freight Transportation:

Repairs of engines.....	\$1,911,157 74
Repairs of cars	2,134,70 85
Repairs of tools, &c.....	259,22 98
Incidental exp., oil, fuel, &c..	178,17 68

\$4,487,26 25

Allotted to pass. transporta....	\$2,909,35 28
Allotted to freight transporta..	4,487,26 25
Other costs not allotted.....	549,16 46

Total cost repairs of machinery	\$7,948,550 94
Roads oper. with horse-power	116,943 25

COST OF OPERATING THE ROAD.*Allotted to Passenger Transportation:*

Office expenses, stationery, &c.	\$159,749 64
Agents and clerks.....	612,744 90
Labor, loading and unloading freight.....	54,228 61
Porters, watch. and switchmen	855,160 24
Wood and water station men ..	93,421 68
Conductors, baggagemen and brakemen.....	608,879 15
Enginemen and firemen.....	524,476 24
Fuel, cost and labor.....	2,030,624 14
Oil and waste for engine.....	267,161 95
Oil and waste for cars.....	70,245 45
Loss and damage.....	18,933 84
Damages to person.....	141,934 16
Damages for property.....	18,183 01
General superintendence.....	131,627 43
Contingencies.....	675,347 37

\$5,692,913 11

Allotted to Freight Transportation:

Office expenses, stationery, &c	\$206,047 94
Agents and clerks.....	833,651 77
Labor, loading and unloading ..	1,376,713 07
Porters, watch and switchmen	462,628 14
Wood and water station men ..	102,869 40
Conductors, baggagemen and brakemen	643,209 68
Enginemen and firemen.....	956,179 85
Fuel, cost and labor.....	2,927,240 86
Oil and waste for engine.....	354,738 78
Oil and waste for cars.....	113,861 21
Loss and damage.....	283,340 63
Damages to person.....	23,874 57
Damages for property.....	30,031 95
General superintendence.. ...	182,968 14
Contingencies	758,111 21

Total..... \$9,450,667 18

Allotted to passen. transporta.	5,692,913 11
Allotted to freight transporta..	9,450,667 18
Other costs not allotted.....	229,484 89

Total cost of operating roads ..	\$15,872,965 18
Roads operated by horse-power	3,152,915 17

EARNINGS AND PAYMENTS.**EARNINGS.***Roads operated with steam:*

Passenger.....	\$16,586,929 71
Freight	28,186,933 87
Other sources.....	1,869,103 63

Total earnings..... \$48,642,966 20

Roads operated with horse power:

Passenger	\$5,694,943 83
Other sources.....	253,714 11

Total earnings..... \$5,948,657 49

PAYMENTS OTHER THAN FOR CONSTRUCTION.

<i>Operated with steam power:</i>	
Transportation expenses.....	\$28,980,017 89
Interest.....	4,719,918 70
Dividends on stock.....	4,977,497 10
Carried to surplus fund.....	785,000 24
Total payments.....	\$38,762,433 48
<i>Roads operated with horse power:</i>	
Transportation expenses.....	\$4,858,098 04
Interest.....	408,918 98
Dividends on stock.....	281,171 85
Payments to surplus fund.....	228,223 48
Total.....	\$5,652,440 35
ACCIDENTS.	
<i>Roads operated with steam power:</i>	
Passengers killed.....	24

Passengers injured.....	1
Employees killed.....	1
Employees injured.....	1
Others killed.....	1
Others injured.....	1
Total killed.....	1
Total injured.....	1

Roads operated with horse power:

Passengers killed.....	1
Passengers injured.....	1
Employees killed.....	1
Employees injured.....	1
Others killed.....	1
Others injured.....	1
Total killed.....	1
Total injured.....	1

DEDUCTIONS FROM THE FOREGOING RESULTS.

If we include the City Roads we have as follows:

Average number of miles traveled by each passenger.....	65
Average number of passengers in each train.....	51
Average number of miles each ton of freight was transported.....	37
Average number of tons in each freight train.....	75
Aggregate movement of passenger trains is equivalent to passing over the road, times.....	12
Aggregate movement of freight trains is equivalent to passing over the road, times.....	4
Average number of trains passing daily over the road, about.....	1
Average cost, per mile of road, for maintaining roadway.....	\$4,500
Average cost, per mile of road, for repairs of machinery.....	\$1,000
Average cost, per mile of road, for operating road.....	\$1,500
Average cost, per mile of single track, for maintaining roadway.....	\$1,500
Average cost, per mile of single track, for repairs of machinery.....	\$1,500
Average cost, per mile of single track, for operating road.....	\$2,500
Average sum received for carrying one passenger one mile.....	6
Average sum received for transporting one ton of freight one mile.....	20,000
Average number of miles of travel for each passenger killed.....	5,000
Average number of miles of travel for each passenger either killed or injured.....	5,000
Average number of passengers carried for each one killed.....	500
Average expense is 75.50 per cent. of all the earnings.	75.50

CALIFORNIA RAILROADS.

Without discussing at this time, (we quote the *Mercurville Gazette and Pacific Current* of San Francisco, January 9, 1856.) the importance of the construction of domestic railroads to the people of the Pacific coast, we will simply say, that the want of them has come, at last, to assume the shape of a supreme necessity. We must have them, or stop where we are—since it is useless to talk of increasing population and growth in wealth, or other substantial progress, without the aid of railroads to facilitate interior transportation and travel. As auxiliaries in opening up the mining regions east of the Sierra such is felt to be their importance that it is perhaps hardly putting the case too strong to say, we had no business there until they had been connected with tide-water by means of a railroad—it being a point open to serious question if we have not lost money in attempting the development of mines where more than a quarter of their gross earnings has been paid out on account of freights alone. Be that as it may, certain it is that the productiveness of those mines, and the future progress of operations in those distant regions, must be greatly retarded so long as these facilities are denied them.

CENTRAL PACIFIC RAILROAD.—This company was organized for the purpose of constructing a railroad from the Pacific coast to the Eastern boundary of the State, and thence on, until it shall effect a junction with the great Trans-C

tinental Railroad approaching from the East. Careful preliminary surveys having been completed, resulting in the choice of the present route, via the Donner Pass, as presenting advantages over all others across the Sierra Nevada, the labor of grading was commenced in 1863, since which time work has been pushed with all practical expedition—55 miles of the road, extending from Sacramento to Colfax, being now completed and in operation. The grading to Dutch Flat, 14 miles further, including some of the heaviest work on the entire route, being also nearly finished. Upon this portion, the track will soon be laid, and the locomotive running. In the meantime, work has been vigorously prosecuted, and it is expected the grading will be completed to Wilson's Valley during the coming spring, a distance of 85 miles from the Sacramento Terminus, and within 20 miles of the summit of the Sierra—at which point the road will have attained a height of 5,286 feet above the level of the sea. From the summit to the Big Bend of the Truckee, the road will be finished during the coming year, as this portion will probably be laid in advance of a completed line over the Summit, where the heavy character of the work, for a short distance, must necessarily delay it somewhat. Beyond the Big Bend, the construction of the work will be comparatively easy, as the track can be prepared as the superstructure can be laid, and it is now confidently believed the cars will be running from this city to Salt Lake inside of four years. The company's road has so far progressed as to be able to take a good portion of the freight and travel now going over the mountains, and they expect to secure a large and lucrative business from that source the coming season. The further the completed portion of the road is carried east, the greater the amount of business that will be drawn over it, until—when it shall have mounted the summit of the Sierra, it will secure the great bulk of the Washoe and Salt Lake trade, as well as that of Southern Idaho and Montana. The finances of the company being now easy, and its affairs administered with energy, this great national work will no doubt be carried forward with an expedition commensurate with their means and the expectations of the public. It is their intention to employ 10,000 laborers the present year.

SACRAMENTO VALLEY RAILROAD.—This old and well established road, the first constructed in the State, transacted a large business the past year, as it had been doing for several years before. Its local business has especially increased of late, and having passed into the hands of a new management, it will probably soon be relieved from the burden of debt that has long oppressed it, and be made a source of profit to the stockholders.

WESTERN PACIFIC RAILROAD.—This Company was incorporated in 1862, with a capital of \$5,400,000 for the purpose of building a Railroad from San Jose to Sacramento via Stockton, to form the connecting link between the San Francisco and San Jose, and the latter and the Central Pacific Road, the whole to constitute the Western division of the National Pacific Railway, and when completed in sections of twenty miles each, will receive Government thirty-year six per cent. bonds to the amount of \$16,000 per mile, and Government lands to the extent of every alternate section within twenty miles on each side of the road. Of the stock, 1,500 shares of \$100 each are held by the county of Santa Clara, and 2,500 shares by the county of San Joaquin. Two hundred

and fifty thousand dollars, in thirty year bonds, were donated to the company by the city and county of San Francisco. The road is one hundred and twenty miles in length, or seventy-four miles from San Jose to Stockton and forty-six from Stockton to Sacramento. The contract for constructing and equipping the entire road has been let to Charles McLaughlin, who is prosecuting the work with all possible speed. The first section of twenty miles, reaching Vallejo Mills, is nearly graded, and the cross-ties for the same are delivered. Sufficient iron, chairs and spikes for twenty-four miles, have been purchased and shipped from New York. A large quantity of the iron has already arrived in San Francisco, and the contractor is laying the same immediately upon arrival. McLaughlin has also entered into a written contract with the Rensselaer Iron Company of Troy, New York, for the supply of 8,000 tons additional iron, to be shipped as fast as manufactured, and which will complete the road to Sacramento, with all side tracks, etc. Sufficient rolling stock for twenty miles has been received in San Francisco, and the remainder will arrive in season for the requirements of the road. The first twenty miles of the road will be in running order early in the coming Spring, and it is expected that cars will make the regular trips to Stockton before the close of the year 1866. Within a very few months thereafter the track will be extended to Sacramento and the work completed.

SAN FRANCISCO & OAKLAND RAILROAD.—The present western terminus of this road begins at the end of a wharf extending 2,500 feet from the Oakland Encinal into the Bay of San Francisco, whence it runs through the town of Oakland to San Antonio, a distance of five miles. It is the intention of the Company to extend this wharf and also their road to the Island of Yerba Buena opposite, whence this city will be reached by ferry boats in the space of five minutes, the intervening distance being only about one mile. The daily average number of passengers now crossing on this route is estimated at 2,500. The road will ultimately be extended to connect with the Alameda Railroad.

SAN FRANCISCO AND ALAMEDA RAILROAD.—The main trunk of this road commences at the western end of the Encinal of Alameda, and passing through San Leandro and Hayward's, extends to Vallejo's Mills, where it intersects the Western Pacific Railroad. A branch is also to be built from Hayward's to another point in Amador Valley. The portion from Alameda to Hayward is 16½ miles, is now in operation, and work on the balance is being pushed ahead. A line of first-class ferry boats runs in connection with this road, the distance from the city to the western terminus being 5½ miles.

SAN FRANCISCO AND SAN JOSE RAILROAD.—This Company was incorporated in July, 1860, with a capital of \$2,000,000, and their road completed in December, 1863, since which time it has been doing a large and profitable business. Its length is 50 miles, leading through one of the finest agricultural districts in the State, insuring for it a constantly increasing business.

PLACERVILLE AND SACRAMENTO VALLEY RAILROAD.—This road taps the Sacramento Valley Railroad at Folsom, and is now in good running order as far asingle Springs, a distance of 26 miles.

CALIFORNIA CENTRAL RAILROAD.—This road was commenced in 1862, and connects Folsom with Lincoln. Length, 18 miles.

YUBA RAILROAD —Is now in process of construction from Lincoln to Marysville. The ties and iron are all purchased for the whole distance, 22 miles, and it is graded to within about four miles of Marysville. This road will doubtless be completed early in the coming spring, and will command the entire Northern trade and travel.

NORTHERN CALIFORNIA RAILROAD.—Is completed and running to Oroville, a distance of 29 miles. It is to the extension of this road to which our people look for railroad connection ultimately with Oregon. Its course will lead directly up through the Sacramento Valley, and, crossing through, passes in Trinity and Scott Mountains, traverses Scott Valley in Siskiyou County, and so on into Oregon.

THE TELEGRAPH WIRE TO INDIA AND CHINA.

The first meeting of the Institution of Civil Engineers, held on the 14th November ult., was occupied by the reading of a paper "On the Telegraph to India and its Extension to Australia and China," by Sir Charles Tilston Bright, M. P. The total length manufactured was 1,234 nautical miles, weighing in all 5,028 tons. Five sailing vessels and one steamer conveyed the mass of submarine cable to Bombay, and the submersion was commenced by the author on the 3d of February, 1864, at Gwadar, on the coast of Belochistan, the whole being completed by the middle of May in the same year. The cables were laid for the first time successfully from sailing vessels towed by steamers, by which a considerable saving was effected, compared with the cost of sending the cable round the Cape in steam vessels. It was expected that the Turkish land-line between Bagdad and the head of the Persian Gulf, would have been completed simultaneously with the submersion of the Persian Gulf line. In this, however, much disappointment was experienced owing to the Arabs, on a portion of the route, in the valley of the Euphrates, being in revolt against the Turks. In consequence of this, the opening of the entire line between Europe and India was delayed until the end of February in the present year, when a telegram was received in London from Kurrachee, in eight hours and a half. This was speedily followed by numerous commercial messages to and fro, and a large remunerative traffic was now daily passing. The author, however, complained of the delays and errors arising upon the Turkish portion of the line between Constantinople and Belgrade; the service on the portion of the line worked by the Indian Government, between India and the head of the Gulf, being performed rapidly and efficiently.—*Builder*.

RAILWAYS IN INDIA.

Perhaps the most marvellous illustration of recent progress in India is this. The annual official holiday, known as the Doorga Pooja, begins on the 26th of next month, and lasts about a fortnight. Yesterday the great Jumna Bridge, near Allahabad, was opened to the through traffic, reducing the delay between Calcutta and Delhi by two hours. The East India Railway Company offer holi-

ay makers return tickets available for three weeks between the two capitals English and Musulman—for £7 second, and £12 first-class, and each may take two servants at £2 2s. a head, besides luggage. The distance both ways is 2,081 miles. Moreover the superstitious Hindoo is tempted to visit his holy places, by the offer of a third-class ticket for £1 4s., a distance both ways 2,081 miles. You cannot match that in England. Who, ten years ago, but Lord DALHOUSIE, would have believed it possible? Low fares for both passengers and goods, but especially the latter, are likely to accomplish great things in India. During the past half year the Eastern Bengal Railway has lowered its rates to compete with the river traffic, and the result is a net profit of 4 per cent, which certain improvements, now in progress will raise above 5 per cent. The Indian Railway, because it is completed and its rates are low, pays its way. The rest will follow.

INTERNAL REVENUE IN NEW YORK.

The receipts on account of internal revenue in the city of New York since October, 1862, show a total of \$64,222,056, and so rapid has been the increase that more than one half the whole, or \$37,156,411 were collected in the year 1865. The following are the aggregates in each district of the city for 1863, 1864, and 1865 :

	1863.	1864.	Increase.
2d dist.....	\$1,999,881 62	\$4,876,907 78	\$3,474,026 16
3d dist.....	2,169,188 68	4,020,762 14	1,751,573 46
4th dist.....	508,987 20	1,054,017 21	545,030 01
5th dist.....	1,190,976 97	2,899,881 54	1,708,904 57
6th dist.....	454,261 48	955,286 67	501,025 19
7th dist.....	1,700,800 42	3,394,570 25	1,693,769 83
8th dist.....	489,558 98	944,187 48	454,628 50
Total	\$7,911,105 36	\$18,242,773 22	\$10,331,667 86
	1864.	1865.	Increase.
2d dist.....	\$4,876,907 78	\$10,289,571 55	\$5,412,663 77
3d dist.....	4,020,762 14	8,466,156 50	4,445,394 36
4th dist.....	1,054,017 21	1,827,381 63	773,364 42
5th dist.....	2,899,881 54	4,800,378 96	1,900,497 42
6th dist.....	955,286 67	1,626,334 91	671,048 24
7th dist.....	3,392,680 25	8,568,657 32	5,175,977 07
8th dist.....	944,187 48	2,077,578 47	1,133,390 99
Totals	\$18,242,773 22	\$37,156,411 68	\$18,913,638 46
Collections in 1862 (three months)	\$911,768 36		
“ 1863 (calendar year)	7,911,105 36		
“ 1864	18,242,773 22		
“ 1865	37,156,411 68		
Collections in three years and three months.....	\$64,222,056 62		
1862-1863	\$11,003,192 36		
1863-1864	11,630,672 36		
1864-1865	21,119,529 90		

THE BOOK TRADE.

An Act to create a Metropolitan Sanitary District and Board of Health therein, for the Preservation of Health, and to Prevent the Spread of Disease.

After a contest of weeks, the Legislature of New York, having tossed the Metropolitan Health Bill like a football from one House to the other, amending and re amending it, has brought the controversy of eight years to a close by concurring in the report of their Conference Committee. The bill did not reach the table of Gov. Fenton till he had left for Washington, but will be speedily signed upon his return to Albany. The public mind will at least be set at rest, and the extraordinary provisions will go into effect, we presume with approval, by those who believe in regulating their everyday life by specific legislation.

In 1858 the four Senators from this city, Messrs. John C. Mather, Smith Ely, Jr., Richard Schell, and John Dougherty, were appointed by the Senate a Committee to sit during the recess for the purpose of taking testimony in relation to the sanitary condition of New York. Their report, published in 1859, shows a careful and rigid performance of this duty, and is thoroughly exhaustive. A Health Bill was prepared, which passed the Senate, and was lost in the Assembly, owing to the treachery of a member from New York.

The attempt was renewed in 1860, and a bill introduced creating a Metropolitan Board of Health to supersede the present Board, the City Inspector and Street Commissioner. After interminable delays it was placed on its third reading, when Mr. H. B. Miller of Erie, opened fire upon it, and it was lost. Hon. Lucius Robinson, in 1861, renewed again the effort, and under his lead the bill actually passed the Assembly, but the furor of patriotism which followed the firing upon Fort Sumter was employed by the adversaries of the measure to deter its friends from pressing it in the Senate. In 1862 it again passed the Assembly, but was lost in the Senate, aided by the operations of the Committee on the Internal Affairs of Towns and Counties, to which it had been referred. No sanitary legislation was attempted in 1863, owing to the political dead-lock in the Assembly. In 1864 the Committee on Public Health of the Assembly did not report the bill. Last winter a bill very similar in its provisions to the one just passed, except that it did not abolish the City Inspector's Department, was introduced by Mr. Laimbeer, and passed the Senate. It was adopted as a party measure by the Union caucus of the Assembly, but was lost on the third reading, by reason of the defection of several members. In January last the bill was introduced again into the Senate by Mr. Lent, and in the Assembly by Mr. T. E. Stewart. It proposed to create a Board of Health of eight members, the four Police Commissioners and four physicians named in the third section. The Senate passed it in this form, after which the Assembly amended it by substituting a Board of five Sanitary Commissioners, to be ap-

pointed by the Governor and Senate. The Senate refused to concur, and a Conference Committee, on the part of both Houses, agreed, as a compromise upon a Metropolitan Board of Health, to consist of the Health Officer, four Police Commissioners, and four Sanitary Commissioners, three of them to be physicians, and one of the four to reside in Brooklyn. The bill in this form passed both Houses on Saturday, Feb. 17.

The bill includes the territory of the Metropolitan Police District in "the Metropolitan Sanitary District of the State of New York," and places it under the control of "the Metropolitan Board of Health," constituted as before explained. The term of office of the Sanitary Commissioners is four years, one to expire every year, as determined by lot. These Commissioners vacate office upon accepting any other office or nomination for an elective office, and may be removed by the Governor under the provision of the law for the removal of sheriffs. Vacancies occurring during the recess of the Legislature are to be temporarily filled by the Governor. The Board, upon organizing, and annually thereafter, will select one of their number to be President, and another to be Treasurer; and also appoint some suitable person Secretary, who shall not belong to the Board. The salaries of the Sanitary Commissioners are fixed at \$2,500 per year; the Police Commissioners and Health Officer receive \$500 a year; the Treasurer an additional sum of \$500 a year.

All the powers of the present Boards of Health of New York and Brooklyn, the Commissioners of Health, Mayors and Common Councils of those cities, Presidents of the Boards of Aldermen and Councilmen, Resident Physician, City Inspector, etc., relating to the public health are conferred upon the Metropolitan Board, but the duties of the Croton Aqueduct Board, Street Commissioner, Superintendent of Unsafe Buildings, City Comptroller, and the board authorized in 1865 to contract for the cleaning of the streets, are not affected. The President of the Board of Health, however, takes the place of the City Inspector as a member of the Street Cleaning Board. The department of the City Inspector is abolished, and his books and papers, the duties of registration of births, marriages and deaths, the preservation of vital statistics, etc., are vested in the Metropolitan Board of Health.

The executive functions of the Board are devolved upon a Sanitary Superintendent, "an experienced and skillful physician," and two assistant superintendents, one for New York and one for Brooklyn. The Board are authorized to appoint fifteen "Sanitary Inspectors," ten of them physicians, fix their salaries and define their duties and districts of inspection; also employ clerks, servants, and attorneys, as may be necessary. The salary of Sanitary Superintendent is limited to \$5,000; of each assistant to \$3,500; the Secretary to \$3,500. The other affairs are subject to the action of the Board. Engineers may also be employed from time to time to make sanitary surveys, and drawings and plans relating to them. But except in times of pestilence to the public health, so declared by the Board and by proclamation of the Governor, the expenditures are limited to \$100,000.

Supreme power is conferred upon the Board of Health to declare that "a building, erection, excavation, premises, business pursuit, matter or thing, or

sewerage, drainage, or ventilation thereof in said district," in whole or in any particular, is a public nuisance or dangerous to life or health. The Board may accordingly order the "nuisance" to be removed, abated, suspended, altered, or otherwise improved or purified. It may also "order or cause any excavation, erection, vehicle, vessel, water craft, room, building, place, sewer, pipe, passage, premises, ground, matter or thing, in said district or the adjacent waters, regarded by said Board as in a condition dangerous or detrimental to life or health, to be purified, cleaned, disinfected, altered, or improved; and may also order any substance, matter or thing, being or left in any street, alley, water, excavation, building, erection, place or grounds, whether such place where the same may be is public or private, and which the said Board may regard as dangerous or detrimental to life or health, to be speedily removed to some proper place" selected by the Board. It is the duty of the Board of Police to execute these orders of the Board of Health, or the latter Board, if it deems proper, may execute its orders through its own officers and agencies. All expenses incurred upon private property under this act are made a lien upon the same.

All owners, tenants, lessees, or occupants of property in the district and persons carrying on business, or having charge of places or buildings are enjoined to keep the same in such condition as not to be prejudicial to life or health. Any member of the police force and every inspector or officer of the Board of Health, as the regulations may respectively provide, may arrest any person who shall violate, or be engaged in committing any act forbidden by this act or of any law or ordinance of the Board of Health, or who shall resist the enforcement of any order of the Board of Health, or of the Board of Police, in pursuance of such order, and the offence shall constitute a misdemeanor.

The Board of Health, the Health Officer and the Board of Quarantine Commissioners are required to co-operate together to prevent the spread of disease and for the protection of life and the preservation of health. There shall also be an interchange of sanitary information with the health authorities of the several towns and cities of the State for the same purpose, medical relief shall also be afforded to the poor, and hospitals for the established reception of patients sick with small pox and contagious diseases. The Board also, in concert with the Governor, may proclaim the presence of great and imminent peril to the public health, and in such cases may perform such acts and incur such expenditures as the exigency shall demand, the Board of Police may co operate with the Board of Health and promptly advise of all threatened danger to life or health, and report to the latter all violations of its rules and ordinances. The authority of the respective Boards in relation to sanitary matters is the same as a special order of a justice or judge duly issued.

The Board of Health is required to report annually to the Governor upon the sanitary condition and prospects of the district, and its expenditures; and shall suggest further legislation whenever the same may appear to be required.

The Board may also enact a "Code of Health Ordinance" which shall be published on or before the 10th day of May in each year in two daily newspapers in New York and in Brooklyn; and afterward shall go into effect on the first day of June, to remain in full force for one year, unless annulled. All courts

and tribunals, or any judge or justice of them, shall take cognizance or enforce such ordinances by penalties not exceeding \$50. The Board will also exercise the authority conferred by all laws relating to cleanliness and to the sale of poisonous, unwholesome or deleterious or adulterated drugs, medicines or food. The Board may also require information relative to the safety of life or the promotion of health, from public dispensaries, hospitals, asylums, infirmaries, prisons schools; also, from all other public institutions, and from the proprietors, occupants, lessees and managers of theaters and other places of public resort or amusement in the sanitary district.

A special fund to be kept in the Treasury of the State, is created from the sums of money provided or raised for meeting the expenses to be incurred under this act. All payments shall be made from it under the order of the Treasurer of the Board as the Board shall direct. The Mayor and Comptroller of New York, the Mayor and Comptroller of Brooklyn and the members of the Board of Health are directed to convene at the office of the Board—at the Metropolitan Police Head Quarters—on or before the 1st day of August in each year as a Board of Estimate to make up an estimate for the expenses of the Board for the year. This estimate shall include also a written apportionment of the expenses to be awarded as the law directs to each county, city and town in the district—the salaries and compensation of members of the Board and the officers and employees, to the county where they belong; the general and contingent expenses to the counties of New York and King, and the expenditures incurred in the other counties, to the respective counties. The Board, in anticipation of the receipt of moneys for its current expenses, may borrow such amounts as may be required on the credit of this act.

All violations of the provisions of this act or of any order of the Board made in pursuance, or of any by-laws or ordinances referred to in it, together with obstructions or interference with any person in the execution of any order of the Board, or of any pursuant order of the Board of Police; and all wilful or illegal omission to obey such order, or to conform to any sanitary regulation of the Board; and all cases in which it was made a misdemeanor to do or omit to do any act, when any power or authority hereby conferred upon the Board of Health was exercised by any other Board or officer, are declared to be misdemeanors—subject to indictment and to an additional penalty of \$250.

It is the duty of prosecuting officers of criminal courts and police justices to act promptly upon all complaints and in all suits or proceedings for any violation of this act, to bring the same to a speedy hearing, and to render judgment and direct execution without delay.

The 1st day of March is fixed as the day for the new Health Law to go into effect, and supersede all other sanitary authorities now existing in the territory of the Metropolitan Police and Sanitary District.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

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**APRIL, 1866.**  
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HOW TO RESUME SPECIE PAYMENTS.

BY. R. G. HAZARD.

PEAN DALE, R. I., Nov. 25, 1865.

MY DEAR SIR—In compliance with your request I have carefully read the letter addressed by Mr. John D. Van Buren to the Secretary of the Treasury. You observed that Mr. Van Buren's reputation and financial experience entitled his views to respectful consideration.

These may also serve to give them weight and popular currency, and I notice that they already have influential advocates.

Many of his positions seem to me untenable, and though there may be no reason to apprehend that they will mislead Mr. McCulloch, still the infusing of wrong notions upon this subject into the public mind may embarrass the efforts he is making for a gradual return to specie payments. The propagation of opinions which induce the hope and the expectation that this result can be reached without first contracting the currency seem to me eminently calculated to produce this effect. The current popular ideas influence the action of Congress, and Mr. McCulloch and his predecessors, though in the end generally obtaining what they desired, have no doubt been sometimes embarrassed by the want of timely legislation. I send you with this some of the results of my examination, and remain

Yours, very truly,

JOHN J. CISCO, Esq.

R. G. HAZARD.

Under the heading "How to Resume Specie Payments Without Contraction," Mr. Van Buren says: "My proposition is, instead of taking in our irredeemable paper, to leave it all out, but to make it redeemable; to bring up our money to a specie value without lessening its abundance, instead of squeezing it down to the specie standard by making money scarce."

He subsequently says that legal tender notes rising to a par with gold is the same as gold falling to a par with legal tender, and, as he proposes that legal tender shall continue to be the medium actually used, the latter expression ("gold falling") is most in harmony with his plan.

The scheme, in its inception, is evidently based on the belief that quantity of money in circulation may be increased without diminishing the purchasing power of a given amount of it.

Now if \$400,000,000 is sufficient to make all our exchanges, \$600,000,000 of paper, or even of gold, is supplied for the purpose, and things remaining the same, there would be \$200,000,000 for which there would be no possible use; that amount would be steadily thrown back into the hands of those who owned or issued it; it would remain idle, and the circulation would in fact be only \$400,000,000. But the whole \$600,000,000 would competitively seek use, and prices would rise. Speculative purchases would at first make additional use for money, increasing the number of exchanges of the same articles, but eventually the prices must settle at just fifty per cent advance. If this view is correct, and there are various modes in which it may be confirmed, Van Buren's proposition is self-contradictory, and the end proposed is impossible in the nature of things.

But, even if this theoretical view is not deemed conclusive, the measure by which he proposes to bring the price of gold to that of legal tender are in direct opposition to all experience. His plan is for the government to hoard gold to the amount of \$150,000,000, withdrawing that amount from market before using any of it to redeem the paper money; to lower the price he would diminish the supply. It may be suggested that he intends to raise paper to gold. I have already remarked that, in Mr. Van Buren's view, it is proper to speak of reducing the price of gold, rather than of advancing that of paper, but, for the moment, let us adopt the latter. To enable the Government to retain the gold, Mr. Van Buren proposes that paper be issued at the market price to pay the gold interest. To bring the prices to an equality then, he really proposes to diminish the supply of the gold, which is already at the higher, and increase the supply of the paper which is at the lower price.

Mr. Van Buren argues that as legal tender would answer for all purposes of our internal trade, \$150,000,000 in gold might be withdrawn without tending to advance its price, or to produce distress or disturbance. But gold with us is now a mere commodity, and a commodity for which, in fact, there is a use and a demand for the whole supply at about 150 per cent payable in legal tender. Lessen the supply, and competition would advance the price to what it would command for the more urgent of the uses. Rich men, whose bones were rattling with the chills, would pay a large premium for it to import quinine, and the quantity might be so reduced that the Miss Flora McFlimsays in extremity for "something to wear," would clutch the balance at any price to pay for Parisian dresses and gew-gaws.

It may be said that a portion of our gold is now employed in more than useless speculation, as a mere implement for gambling on the stock exchange. But this hoarding of \$150,000,000 would, no doubt, greatly aggravate the evil, and cause the demand for this purpose to be much increased. Before this amount was obtained, gold would probably sell at 800, and I think even at a much higher rate.

Mr. Van Buren proposes that, when the gold is thus accumulated, the Government should offer to redeem the legal tender at par, and thus make gold and paper equivalent. But he also proposes to reissue the paper

deemed ; non-diminution of the paper is a distinct and prominent object of his scheme.

The accumulated gold must have been withdrawn from that in use, or from the non-export of the product of our mines, or from import. Enhanced price is the only practicable means by which it would be effected in either of these modes.

Suppose, first, that the gold has been hoarded from that in use. The Government proceeds to pay it out at par, and gets \$150,000,000 of paper, which it also re-issues. The whole process then ends where it began ; neither the quantity of gold or of paper in circulation is changed, the prices will conform to these same conditions, and gold will be at the same premium as before the hoarding was begun, though not at the higher rates which compelled the abstinence from its use, without, which, the hoarding would not have been possible.

Again, suppose that the hoarded gold came from the non-export of the home product, or from import. Here, too, high prices must have compelled abstinence in the use of those imports which otherwise would, in either case, have been had in place of the gold. The hoarded gold, we may now assume, is so much added to the national wealth by this enforced economy.

The Government again pays out \$150,000,000 of gold thus saved in exchange for the same amount of paper, and re-issues the paper. In virtue of the accumulation, the Government might for the *moment* maintain the proposed equality, and, if it proved to be permanent, it would conclusively demonstrate that the amount of circulation was previously not only in excess, but that it was absolutely \$150,000,000 short of the requirements of trade upon a specie basis, for \$150,000,000 has now been actually added—paper is at par with gold, and of course the prices of all other commodities conform to it. Property must then generally rise in price, and, if gold falls, it only shows that it was before high because, as compared with other commodities, it was relatively scarce. By a forced economy in its use, its supply and its price have been brought to an equality with the other commodities, just as if flour were scarce and high in proportion to other breadstuffs, and Government, by hoarding it, should compel abstinence in its use, for consumption or export, till the accumulated supply would suffice to equalize prices. But it is not for a currency which is too much curtailed, but for one too much expanded, that a remedy is now sought and proffered, and neither the mere hoarding and rediffusion of \$150,000,000, or the addition of that amount of gold to the currency, give any promise of salutary results.

By the last process, so long as the paper money is really in excess of the wants of trade, we should not even realize the reward properly due to the abstinence by which the gold was accumulated.

As Mr. Van Buren says, while we are using irredeemable paper a large share of our coin is constantly shipping away to foreign countries.

This is because, being thrown out of use, it becomes relatively cheaper here than in other countries. The same thing would occur with the wheat and iron on hand if, from any cause, we ceased to use those articles. This export of gold will occur whenever it becomes relatively cheap here as compared with merchandize.

When we are paying specie, if the paper is inflated, we get more than

our share of circulating medium, and, the whole mass being alike depreciated, the gold portion is exported to where it is of more value.

This result would follow, in an aggravated form, if, with a surplus of paper, which makes gold worth \$1 50, it should at once be redeemed in specie. As before stated, with the accumulation of \$150,000,000, this might be temporarily effected, but the gold would disappear in the process.

To illustrate this: suppose we have double the circulation required, the price of commodities, gold included, would then, on the average, be doubled also. But all these are liable to fluctuation from speculation and other special and temporary causes. Suppose, then, that while all other prices are at 200—the point due to the amount of circulation—gold is by some means reduced to 150.

A yard of silk sent by a French merchant, which, with a specie basis, would be worth \$1, now sells for \$2 paper, but with this the owner might obtain and take from us in gold \$1½ instead of \$1, which was the real value. If the relative depreciation of gold arose from our having more than our legal tender basis required, the discrepancy would soon be thus corrected by the foreign demand, and gold would rise to 200; but if the depreciation was artificial, gold would be exported till its price rose to 200, and, when the artificial causes ceased to affect it, it would rise over 200. The same thing might occur in regard to wheat. These artificial aberrations are generally soon regulated by the action of the law of the market. These views, however, indicate that, as gold is now especially needed to reform our finances, it would be unwise by any artifice to reduce its price below that due to the quantity of paper in circulation, but that it would be better, if possible, to keep it above that point.

Without attempting to determine what, with our present circulation, the normal price of gold would be, I will remark that the tenacity with which it clings to over 146, at a season of the year when large amounts of paper are required to move the crops, and when its price has been depressed by the substituted export of cotton at high prices; by the avowed policy of contraction and the actual funding of \$50,000,000 of legal tender, or its equivalent; by a stringency in money, and by sales of gold from the surplus in the treasury, indicates that under average circumstances it would be at over 150. A comparison of the amounts of currency and of the requirements of the country before and since the war, I think, would lead to the same conclusion.

Mr. Van Buren puts little stress on what seems to me a source of much difficulty—the addition of the bank note circulation to the legal tender. At present there seems to be no sufficient inducement to check the issue of the national banks by returning the bills for redemption. The Government and the banks receive them at all times and places on such terms as they do the legal tender, in which they are redeemable.

Mr. Van Buren deems this unimpeded circulation of our currency favorable to his plan. It seems to me directly the reverse. Little as he comprehends from the quantity of paper, he would hardly maintain that diminution would not facilitate the return to a specie basis, by his own or any other plan. If any portion of the notes were at all times in transit for redemption, the amount would, to this extent, be practically lessened, and if they would not suffice for all purposes, at all places, their circulation would be so far retarded, i. e. they would not suffice for so many

changes in the same time, which would be equivalent to a diminution of their quantity.

If the depreciation of the currency arose from the want of national credit, the exhibition of large means of payment in the hands of the Government might have some effect, but even then the expediency of increasing paper issues to accumulate gold would be very doubtful, if not absolutely absurd.

During the war there was, no doubt, apprehension that the legal tender might be *increased* so as to produce much greater depreciation, and hence gold panics. That there was, even then, no serious or general distrust of the ability of the Government, is shown by the fact that the price of real estate, which would have been most enhanced by such distrust, remained almost stationary, and now there is very little if any ground for believing that the value of our currency is depreciated by any doubt of the national credit. Mr. V. says, it is obvious that when we have reached the end of the process prices of all kinds of property will fall in the ratio of 146 to 100. As the quantity of paper money is not to be diminished, I do not see that there would be any tendency to such a result. His object seems to be to get back to a specie basis without producing a monetary panic, which he thinks will be the inevitable consequence of contracting the currency. I have no hope that the end can be reached by any other mode without unwarrantable delay; nor do I believe that a panic is a necessary consequence of contraction. One opportunity has already occurred during this year, when about one half the work of resumption could have been accomplished without any monetary pressure. About the time of the surrender of the Confederate forces, there was a general belief that, with the close of the war, ordinary prices would again obtain. Singularly enough there was a prevailing idea, even with intelligent merchants and bankers, that the diminution of Government expenditures would reduce the price of gold, and of merchandize generally. The tendency is obviously the reverse, making less use for the currency, and throwing that portion of it heretofore required for the operation of the Government into the channel of trade, thus increasing the redundancy and inflating prices. Under the influence, however, of these erroneous views, everybody hastened to sell, and prices of gold and merchandise fell nearly one-half. Gold fell from 200 to 128; at these prices, of course, money soon became greatly in excess. The effect of this excess was retarded by the payment of very large amounts to the army, and money paid in that way circulates slowly. The excess, however, was soon felt in trade, and might then have been retired without producing any monetary panic, or even stringency. Gold would have remained at about 128, leaving only the 28 per cent. to be overcome preparatory to a resumption of specie payment. The opportunity was not availed of, and the surplus money soon caused a reaction in prices, which, while gold has only gone to about 146, have generally reached as high a point as when it was over 200, and a money pressure has been the consequence.

No blame, or even want of vigilance, is to be imputed to the Secretary for not availing of the opportunity to arrest the price of gold at 128. In the opinion of many very judicious business men the fall was too rapid, involving the debtor interest too suddenly in great losses. Besides, he was embarrassed by the existence of the law requiring the issue of \$300,000,-

000 of National Bank currency, and the nonexistence of any law for the funding of that portion of the legal tender which bore no interest. The thing may yet be accomplished, though the difficulties are increased, and are still increasing by delay.

Whenever any reliable plan for contracting the currency is decided upon and made public, prices will again decline in anticipation, and the surplus thus released from the wants of trade may be withdrawn without making money scarce. Merchants having just made the mistake of depressing prices, when the result showed that they were needlessly alarmed, will probably be less prompt in taking the same step even when there is good ground for it, and, so far as they strive to hold goods when the currency is being diminished will make money scarce. This is an accidental circumstance and not a necessity of the case.

The more serious difficulty is that of the disturbance of the relation between debtor and creditor, and for this Mr. Van Buren suggests no remedy. He states that with the general decline in the prices of property "the owner will get for it just as much, and what will buy him just as much, of other things as he can get now." The important fact that it will not buy as much of his own notes, or pay as much of his indebtedness, is wholly ignored. The indebtedness of merchants is now very small, but there is reason to apprehend that the old system of extended credits is being inaugurated. The present scarcity of money tends to induce it, and the difficulty, which arises from the injury to the debtor interest, may soon be vastly augmented. In another way, too, an enlargement of credits would be an obstacle. The individual credits would perform the functions of money in the exchanges of property, and, so far, be equivalent to a further inflation of currency. These and the further consideration that, recovering from the exhaustion of war, the quantity of merchandise in the country to be affected by the change will probably increase, indicate that the measures requisite to resumption ought not to be delayed.

Justice to a large class dependent on fixed incomes also demands a speedy return to the specie basis, which on many other accounts is more expedient. The inevitable fluctuation of prices under the paper system induces a spirit of speculation, and fosters an extravagance which is inimical both to production, and to the saving of that production which constitutes national wealth. Labor does not proceed with that regularity which is essential to its economical application, but by fits and starts—sometimes with fearful hesitancy, and sometimes with a haste which makes waste. It is now discovered that the indisposition of capitalists to invest in permanent fixtures at the inflated prices has caused a deficiency of stores and of dwelling houses for the convenient accommodation of the business of our large cities, and of those who transact it. Buildings are erecting at cost, greatly enhanced by the urgency for their immediate use.

A man buying cotton at the South cannot take the risk of a change in the currency during the long voyage of a sailing vessel, and hence the more expensive transportation by steamer or railroad is resorted to, and at one time large quantities were sent even by express from St. Louis to New York.

We need to get back to that system under which men, now engaged in worse than useless speculation, will return to productive pursuits and pursue them with a steady industry and economy.

The \$300,000,000 of National Bank currency looms up as a formidable barrier in our path to resumption, and it is even apprehended that a further issue of it will be authorized at the approaching session of Congress.

I deem it exceedingly desirable that this should not be done, but if the \$300,000,000, now authorized, is already appropriated exclusively to a portion of the States, the justice, and even expediency, of furnishing the others with their share will be an urgent reason for increasing the amount.

On reflection, however, I do not apprehend that, even if such measures should be resorted to, it will present an insurmountable or even very serious difficulty, I might state the reasons for this opinion, but have already written much more than I intended.

Since the foregoing was written Mr. Van Buren has, in another letter, somewhat modified his plan, but without relieving it of its main objections. He now proposes that \$50,000,000 of gold should be collected in each of the next nine years, and holds that by the second or, at farthest, the third year this would insure the rise of the \$450,000,000 of paper to a par with gold.

His whole argument still ignores the fact that the purchasing power of the whole volume of currency cannot be increased by increasing its quantity; that if you double or tenfold it, double or tenfold the amount will be required to pay for the same quantity of labor or property. With the recognition of this his whole fabric crumbles and there are few new points suggested in his second communication requiring attention.

He *assumes* that this scheme is feasible, and then urges the advantages of it. For instance, in regard to contracting, he asks, "would it not be safer to first bring the legal tender notes up to par with gold, and then begin to contract, etc." It undoubtedly would be safer for a person to learn to swim before he ventures into the water, and this to me seems quite as practicable as which Mr. Van Buren proposes to do.

But, even if practicable, why is it better for the government to wait till the notes will cost par rather than buy them now at one third less? He also says, "as the Government has diseased the circulation by infusing into it irredeemable paper, so it will in this way provide the natural remedy by gradually reinfusing gold."

If one has overloaded his stomach with too much bran bread it by no means follows that eating a quantity of nutritious meat will relieve him. This analogy reaches farther than would, perhaps, at first be supposed, for were it possible in such cases to keep the meat on the stomach, and the gold in circulation there would in either case be an aggravation of the evil. In such case the gold would still further inflate the already too inflated currency.

The more natural way would seem to be to withdraw the excess of infused paper which constitutes the disease, and this is the only feasible mode; for if the Government with \$450,000,000 of legal tender notes in circulation, when \$300,000,000 is all that is needed at gold prices, should *forever* gradually pour gold into the mass, the gold would *forever* disappear, and still leave the \$450,000,000 at a depreciation of one third from its face. One might as well pour water into a sieve full of buck-shot with the expectation of floating or of infusing the liquid into the mass.

Mr. Van Buren approves the suggestion of Mr. E. Littell that the Government substitute legal tender notes for the \$300,000,000 of National Bank notes. He says, "This would leave us plain sailing. We should

have \$750,000,000 of legal tender notes but no bank notes. This large quantity of legal tender notes, being one homogenous currency, could be brought up to a current value equal to gold, at least as soon under the process which I suggest, and with quite as small an accumulation of gold as we can bring up the \$450,000,000 of legal tenders, encumbered with \$300,000,000 of blank notes."

It may be true that on Mr. Van Buren's plan the \$750,000,000 might be brought up as readily as only \$450,000,000, and it is surprising that his unlimited application of it did not arouse his suspicion as to its sufficiency for either, or, at least, suggest a doubt as to whether an untouchable glittering heap of \$150,000,000 of gold would really exert the talismanic power he imputes to it.

I will not stop to point out the disastrous consequences which would attend the proposed addition of \$300,000,000 of legal tenders, although the bank notes should be reduced by the same amount. What I have already said, and am about to say upon another point, I trust will be sufficiently obvious.

Mr. Van Buren says, "suppose we fund one half the legal tender notes. What have we gained? * * * We have not converted the other half into redeemable paper." It by no means follows that we have not, at least, that we have not made it *convertible* into gold at par, and it seems somewhat remarkable that Mr. Van Buren holds that merely taxing the holders of the superabundant notes with \$150,000,000 of gold which they cannot touch, should have more effect than actually paying them \$225,000,000 in exchange for them.

A certain amount of legal tender notes would for our internal trade advantageously take the place of gold. For some purposes they would be better than gold, and, if the amount was not greater than that required for these purposes, they would command par in gold whether the Government redeemed them in coin or not. This was practically proved in the case of the legal tender notes that were received in lieu of gold for duties which, when the amount was reduced to what was immediately wanted for customs, though not *redeemable* in coin, commanded a premium in gold and so were *convertible* into it with advantage in favor of the paper. The legal tender notes would compete with the bank issues for the general circulation, and if, for all purposes, \$225,000,000 is not more than sufficient when the business of the country is on a gold basis, a gold basis would be practically reached, and no mere authoritative dictum could then prevent it any more than it can now produce it without such contraction.

But, Mr. Van Buren, and the advocates of his plan, and, indeed, many others, will probably ask how this result can be reached with the \$300,000,000 of National Bank notes still in being? The reply to this is, that with the basis of these reduced to a gold standard they will have no more effect than a surplus of notes of the old banks redeemable in specie had. Suppose, for instance, in 1859, the whole bank circulation being then \$200,000,000, the banks had printed and signed new bills to the amount of \$300,000,000 more. With the business of the country on a specie basis, and already fully supplied, there would be no use for the additional notes, and, if forced out, they would be immediately returned upon the owners for redemption in gold. And so with a return to specie basis, although part of the basis of the bank notes be legal tenders actually con-

vertible into gold), all of the \$300,000,000 of bank notes not wanted in place of gold, and, at the price of gold, will return and lie quietly in the vaults of the banks.

This would probably induce a voluntary return of a portion of them to the Government, and of more than enough to supply the sections now deficient. The Government then, by fair competition with the National Banks for the supply of the currency, may, without any violation of good faith to them, secure a portion of the profits of the circulation, all of which they might, perhaps, originally have rightfully claimed.

In regard to artificially reducing the price of gold, Mr. Van Buren, in his second letter, takes the view which I have already suggested in my remarks upon his first, and uses a similar illustration.

"He says, 'If the Treasury had a reservoir of wheat at Jersey City, out of which it spasmodically flooded the wheat market, wheat would become artificially low, and would be the cheapest remittance abroad.' Now, his whole scheme really is, by artificial means, to enable buyers of gold to obtain it in exchange for paper at about two-thirds its normal value, which, of course, would send the gold abroad quite as certainly as a similar process would the wheat.

I fully agree with Mr. Van Buren that the return to a specie basis (or very near it) should be consummated before the large amount of seventy bonds mature.

Mr. Van Buren gives a "summary of advantages claimed for his method." They are sixteen in number, some of them have already been commented upon, and I can notice very few of the others. If his system is, in fact, impracticable, the hypothetical results which might follow, if it were not so, are of little consequence. He claims "third, it is both gradual and steady." It is much to be feared that when the Treasury, with an accumulation of \$150,000,000 of gold, gave notice of its readiness to pay \$450,000,000 of paper it would not find the process either *gradual* or *steady*.

In the eighth, he says of the legal tender notes: "The Government can not pay them now all at once." But the withdrawal of less than one half of them (with a proper system of redemption for the National Banks) would probably suffice to bring the remainder to gold value, and, even if it required an absolute payment, a real lessening of the public debt to this amount by contribution from labor and capital for that object; it is evident that having during the war paid \$1,000,000,000 per annum from our spare earnings, we could, with peace, contribute \$225,000,000 in one year, or even in less time, without material inconvenience. The \$1,000,000,000 per annum for the war, actually consumed, used up, that amount of our accumulated and current products of labor.

But, as it is proposed only to give bonds for the surplus currency, the process would no more be a present drain on the resources of the nation than the payment by a merchant of one note by giving another would be upon his bank deposits. It would simply change the form of the Government's indebtedness from currency to bonds, relieving the people of the superfluous portion of the former, which is *worse* than useless to them, and giving them Government securities in another form for it. Surely there can be no inability to do this now. The Government would annually collect the amount of the interest of the people and pay it back to them. This

fact is sometimes fallaciously urged to show that a national debt is really no burden on the people. When the whole amount is due to the citizens there is a phase of truth to this view, which makes a partial statement of it all the more mischievous. But even then the cost of collecting and re-distributing the accruing interest, as it becomes due, is a serious loss to the aggregate community. In our case the whole actual cost of the war was a loss incurred and consummated in the annihilation of just so much of the national wealth as was expended. This is irretrievably gone, and equally so whether the cost was defrayed by direct taxation on the product of labor and the accumulated capital of the country, or by hiring a portion of this product and capital for a term of years. Fortunately we had at the beginning of the war just made very large provision in the form of railroads,* and other machinery and appliances to facilitate production, and thus aided, we, in fact, paid the whole expenses of the war as they accrued from the spare product of our labor. A very small portion of the bonds (probably not over five per cent. of the whole cost of the war), was sold abroad; but as we, at same time, reduced our previous foreign indebtedness by a larger amount, we may assume that our war expenses were thus paid from our current spare earnings.

It is obvious then that if the amount had been raised by a tax properly distributed, so that each individual of the community paid his proper share, the present condition, or balance of each man's property, would be in fact, just the same as it now is, when, instead of raising the money by taxation, it has been hired and bonds given in return for it. Take, for instance, the case of a man who has, in this latter way, furnished just his share, say one per cent. of the whole amount. He has received Government bonds for this one per cent., but he also owes to his fellow citizens the same proportion, or one per cent. on the same amount, and his bonds exactly balance this portion of the debt, which he owes. It is evident that he is neither richer nor poorer than he would have been if the war had been raised by taxation instead of the sale of bonds. If this man had furnished less than his share, or say nothing at all, then he will still owe one per cent. of the national debt with no bonds to balance it. If he has put his earnings into other property, and owes the one per cent. to be deducted from his assets, which again is the same as though he had been taxed the one per cent., and now held just so much less property free than he of the one per cent. So, too, if he had contributed two per cent. instead of one he would then still owe only one per cent. of the debt, and hold double that amount of bonds which is still the same as if he had been taxed and paid the one per cent. and retained the other one per cent. in some other property free of the lien of the public debt. When the money loaned to the Government has been thus unequally supplied, great injustice would, of course, be done by cancelling the debt, but if it had been furnished by each individual in proportion to his liability to tax to pay it—there would be an aggregate gain to the whole bondholders by a surrender of all the bonds and the extinguishment of the debt. The cost of collecting and disbursing the interest would be saved to them by the surrender. Thereafter the annual tax of each would be lessened by j

* These went far to neutralize the loss of the Mississippi River as an outlet for our Western products.

the amount of the yearly interest he before received, and by the *additional amount* of the cost of collecting and paying this interest. And, if there is this gain by giving up the bonds, it is obvious that it would have been more economical never to have given them, and that it is only when the accumulated capital and the current earnings of a nation are insufficient to meet the public exigencies, and aid must be obtained from foreign capital and labor that a resort to loans is a *necessity*. In our own case it is evident that the whole war expenses, having been, in fact met by our own capital and labor, could have been provided for by direct taxation, and with many advantages in favor of this mode, though it must be admitted that the proper distribution of the burthen and especially when, with no organized system of taxation, our experience and even our theoretical knowledge of the whole subject was so very limited, presented very serious practical difficulties. It is, however, still very doubtful whether even in the matter of the proper distribution of the burthen we shall gain anything by the delay. A loan has, at the moment, the advantage of being voluntary, and it may sometimes be advisable to delay the compulsory taxation which must eventually be relied upon. It also has this further advantage that the money will be provided by those to whom capital is of least value, and so, perhaps, interfere less with production. An active producer may need not only all his actual capital, but all his credit, so that he could not even hire the amount of his tax without crippling his productive energies. By a loan the Government assumes the hiring and becomes a mutual insurance company, guaranteeing to those who furnish more than their share of the money, eventual payment from those who furnish less. If, instead of loans, taxation had been resorted to, it is probable that the portion assessed upon capital, then in hand, would have been greater in proportion to that assessed upon the products and profits of labor, than under the system which has been adopted. I will not now further inquire which mode is the more expedient or the more just, my present object being merely to call attention to another consequence to which this distribution of the Government bonds to its creditors has made us liable. First, however, to illustrate these views on a smaller scale, suppose a mercantile association of a number of partners, each of whose interests in the profits and losses of the firm is in same proportion as his liability for the debts. By the burning of their warehouses they meet with a heavy loss, exhausting their capital and destroying their credit; but the individual partners furnish from their private means, each in proportion to his interest, the funds required to continue the business, and each of them takes the notes of the firm payable in some years with annual interest, for the amounts. Now, it is evident that if they all surrendered their notes, or if they had contributed the funds without taking any notes at all, no one of them would be either richer or poorer than he is with the notes all held against the firm, and that if they have to pay the expense of an extra clerk to keep the account of those notes, and to collect and pay the interest on them, it would be a saving to them all to surrender the notes, and let matters stand as they would have stood if the money paid in had been a mere assessment, and no notes given for it. They, however, hold the notes, and so long as they were not available for raising money, these partners must conform their expenses to their other means; but when the crisis is passed, and the credit

of the house is restored, they may use these evidences of debt to increase their individual current expenses, and selling them to outside buyers, to make up the proceeds, leaving no means for payment at maturity, and the whole concern be thus impoverished by each member of it, having left out of the account the fact that he was liable for the payment of a portion of the notes, on the proceeds of the transfer of which to other parties, they were all living. Their loss was not in the giving of the notes but in the destruction of their property by the fire. The giving of the notes neither directly increased or diminished this loss, but as we have shown they soon became a ready means of involving the firm.

So, too, our loss was consummated in the expenses of the war, and in giving notes to our citizens for their contributions to meet that loss, neither increased or lessened the loss, but there is reason to apprehend that the notes are now producing national results analagous to those produced in a like cause in the mercantile firm. From what has been now said it is obvious that the popular belief that hiring the money, or giving notes or bonds for it, even when it is all received of our own citizens, is putting the burthen of the debt upon future generations is a fallacy. In such case with the debt due to the government, we also bequeath to posterity the same amount due from the government to balance it; which is the same thing as though a rich man should charge his heir with the payment of a mortgage on his estate and at the same time give him the bond of the holder of the mortgage for the same amount. So, too, the mere giving of notes in settlements among ourselves will not of itself increase or diminish the inheritance of our successors. The notes given by the government will just balance the amount of the debt which the holders of the notes are bound to pay: the final result being that the sum expended in the war having been lost, we shall leave to posterity so much less accumulated wealth than we should have done if the same results in all other respects had been reached without this expenditure.

But if now in consequence of the government having given for this expenditure, notes which enable and induce the holders to squander the amount and to transfer them to foreign holders, we thereby make another loss of national wealth and leave our property, already diminished by the war expenses, to our successors burdened with the national debt thus transferred and held abroad.

But this additional burthen of a foreign debt is not a direct or a necessary effect of the loss by the war, but of that extravagance which the increasing of the public credit to a large amount made possible. The effects are also distinct. The war expenses diminish our legacy, our extravagance burdens that diminished legacy with a heavy charge.

By the transfer of the debt to foreigners to pay our current expenses the estate of this generation will pass to the next charged with the debt to the government, and the government will then have to pay to foreigners instead of paying to its own citizens. The estate is still charged with the debt, but there is no bond of the creditor to balance it.

It is to be apprehended that the existence of the government has been making a ready and convenient mode of paying for enhanced expenses in living, now occasions the squandering of at least a portion of our earnings which would otherwise be added to our accumulated wealth, and on this point I would especially invite public attention. If the government

bonds are used to pay our foreign balances, gold is thereby thrown out of use, and this may account for the fact that it is below 150, while other articles, the uses of which are not diminished, average nearly 200. If every body made bread of Indian corn at \$1.00 per bushel, wheat might fall from its relative price of \$2.00 to \$1.50, and the supply of corn being sufficient, so remain for a long time. The supply of our bonds is sufficient to pay our foreign balances for a long time even though our imports should be excessive.

During the war foreigners would take only a very small amount of our bonds. At about 75 & 80 the Germans deemed them an object of purchase, but when they fell to 35 & 40 they thought the sacrifice greater than we could possibly afford, and that, with the immense expenditure to be provided for at this rate, national bankruptcy was inevitable. They reasoned as any prudent banker would do in regard to notes freely offered in open market in any quantity at 35 & 40 cents on the dollar and payable in gold at maturity. In England and France other causes also tended to exclude them.

Our bonds then were not available abroad and individual credit was also there at a low ebb, with a very general unwillingness on the part of those having any, to use it. We were then compelled to restrict our consumption of foreign merchandise to what our current spare labor would pay for. The case is now altered. These bonds have now become available abroad, and though still at a price much below par are being used to pay for our imports.

The danger now is that those holding them, forgetting the corresponding debt which they owe, will deem themselves able to increase their style of living in proportion to their means in hand, and thus the amount now due among ourselves become a foreign indebtedness and an annual tax upon our productive energies to the amount of the interest upon it and eventually of the principal also, and hence our danger of being impoverished is perhaps greater now than at any period during the war. One to whom nobody will give credit is in little danger of involving himself in debt.

It seems now exceedingly probable that our national consumption requires a large transfer of our bonds to pay foreign producers. Our imports are large compared with the exports of our products, and yet gold and exchange are low compared with the prices of other things.

The existence of the national debt, then, in a form available for foreign payments, may thus become the ready and seductive means of our impoverishment. If we must, or rather will sell, these bonds abroad it is perhaps still desirable to get as much as possible in return for them, for though a large part of the price may be received in that which is of little or no intrinsic value, which merely panders to a false taste or ignoble pride; some portion may directly or indirectly add to our substantial wealth.

Our experience so far indicates that the market value of our national securities, including gold bearing bonds, varies with that of our currency, and that as the latter rises and approximates to par in gold the former approaches the same standard. Hence, with the appreciation of our currency we obtain more for the bonds sold. The reasons for this, I think, are complex, but it is sufficient for my present purpose to note that the foreign credit of the Government is an important element. This is shown by the fact that the State of Mass. which, acting with the enlarged practical

wisdom and business ability characteristic of her superior intelligence has never failed most punctiliously to fulfil her engagements to her creditors, has effected a foreign loan at the price of 97 in gold for bonds bearing only 5 per cent interest. While our Government bonds bear 6 per cent (also in gold) will command in the same market only 65 (equal to about 70 in American gold). And yet our *ability* is not now doubted at home or abroad. The bugbear of war with England or France no longer alarms capitalists. No one now seriously questions that our material resources are abundant; but there is still some apprehension engendered by the artifices of selfish unprincipled politicians seeking to gain a few venal votes to their faction, or to annoy the dominant party by agitating the question of repudiation. Thus far, however, the popular sentiment is most firmly and decidedly in favor of an honest fulfilment of all our obligations and taxation for the purpose, is most cheerfully submitted to.

Another ground for this apprehension is the possibility that the late rebel States will be permitted again to exert a political influence which with the feelings still manifested, they may insidiously use to destroy the national credit, and thus subvert the power which in openly assailing, they encountered such disastrous and mortifying defeat. It is quite possible that treason may next assert itself in this way, and with the mean, and unworthy spirit of an assassin by this subtle poison seek to destroy the power it no longer dares to meet in open conflict. The danger of any successful attempt of this kind is perhaps already past. Independent of the direct interest in the public debt which, through the amounts of it held by the banks and savings institutions prevades the whole community, it has become most obvious that no nation can afford to repudiate. To do so, is to put itself in the power of any other nation, that is strong in its credit, however weak in all other respects. It is doubtful whether any nation of even very moderate intelligence ever did repudiate except as a sheer necessity, and with us there can be no such necessity. We cannot afford even to seriously discuss or harbor such a thought. The possibility of our committing such folly should be at once scouted as an insult to our intelligence, and an absurd negation of our admitted shrewdness, and still more as an imputation upon our honor. Nothing is more sensitive than credit. The breath of suspicion too slight to tinge a youthful maiden's cheek will suffice to crimson it in confusion. This is especially the case with the credit of sovereign States, whose debts are of necessity debts of honor—no superior power to compel them to comply with their contracts—I repeat that all propositions involving or tending to bad faith, whether by denial or neglect of payment of what is due or by payment in depreciated value, (coin or paper) or by special taxation of debt, or otherwise, should at once be scouted, the mere entertaining of them being a stain upon our national honor, and destructive of our ability to contend with foreign foes, or to preserve our institutions and maintain domestic order and tranquility. It were better for us that all our forts and magazines, with all our munitions of war should be blown up, and every ship in our navy sunk, than that we should trifle with and impair our national credit. With the elastic energies of our people unrepressed, and their patriotic pride and spirit unbroken and undebased, we would soon repair such material damage, while centuries might not suffice to restore to us the untarnished honor which demagogues and traitors would so ruthlessly and foully desecrate.

MISSOURI AND ITS MINERALS.

BY S. WATERHAUS, OF ST. LOUIS, MO.

MISSOURI may safely challenge the world to produce its equal in the number, extent, and value of its minerals. The immensity of its mineral wealth subjects even a truthful exposition to a suspicion of exaggeration. The sober calculations of geology seem to be mere figures of rhetoric. The imperfect explorations which have been made have disclosed the superiority, but not the full magnitude, of the metallic resources of Missouri. Some of the vaults of nature's bank have been opened, but the treasure is too vast to be counted. The earth has hoarded in its coffers an unminted and incalculable wealth. The inventory of the mineral resources of Missouri enumerates springs whose waters are impregnated with salt, sulphur, iron, and petroleum, jasper, agate, chalcedony, vitreous sand, granite, marble, plastic and fire-clays, metallic paints, hydraulic cement, lithographic quick-lime, mill and grind-stone, fire-rock, kaolin, emory, plumbago, nickel, cobalt, zinc, copper, silver, gold, lead, coal, and iron. Most of these minerals occur in quantities that are literally inexhaustible. In case of many of these articles, the mines and quarries of Missouri could easily supply the markets of the world. If an incomplete geologic survey and the rude efforts of unscientific miners, who have as yet scarcely touched the vast deposits of the State, have disclosed such results, we may justly expect far richer developments when an exhaustive investigation has been made, and systematic mining been extensively prosecuted.

Of silver and gold, traces only have been discovered.

Cobalt and nickel exist in profusion.

Zinc is very abundant. Its masses have often retarded the mining of more valuable ores. Thousands of tons of this metal, thrown away by the lead miners, as a vexatious and worthless impediment to their progress, might be with a profitable cheapness reclaimed to the uses of commerce. The ore is very pure.

Copper has been found in 15 counties. At Hinch's Mine, 800 pounds of ore gave 272 pounds of good copper. At this locality the gangue is red clay, chert and magnesian limestone. At Rives's Mine the ore lies only 20 feet below the surface. The deposit is several feet thick, and contains a rich proportion of copper.

The Copper Hill Mine has yielded 100,000 pounds.

The ore from the Stanton Mines gives, according to two analyses, 48.41 per cent of pure copper. The ore is usually a sulphuret or carbonate.

But very little attention has been paid to the zinc and copper mines of Missouri. The larger profits of other kinds of mining have diverted public enterprise from a fair trial and full development of these ores. The success of the copper works at Frederickstown would justify more extended operations in this neglected branch of mining.

Lead has been discovered in more than 500 localities. Its purple veins run through 20 counties and intersect an area of more than 6,000 square miles. The richness of these mines is exhibited by the following statistics:

Total yield of Perry's mine to 1854.....	lbs. of lead	12,000,000
Total yield of Valle's mine.		18,000,000
Total yield of Franklin's mine from 1824 to 1854.....		20,000,000

Yield of Shibboleth mine in 1811.....	2,000,000
Yield of Washington and St. Francois counties from 1841 to 1854.....	60,000,000
Annual yield of Washington County.....	2,000,000
Total yield of Virginia mine.....	10,000,000
Yield of William's mine in nine months of 1854.....	145,000
Yield of Frazer's mine in one month.....	100,000
Yield of Frazer's in one week.....	50,000
Shipped from Selma alone from 1824 to 1854.....	70,000,000
Annual average of all mines from 1840 to 1854.....	4,000,000

At the mine of Price, Bray & Co., 2,000 pounds of galena have been taken from a shaft which is only 10 feet deep. The ore at Mineral Point is 18 inches thick.

The lead is mostly sulphuret. Out of 120 specimens of ore, 113 were sulphuret, 6 sulphate and carbonate, and 1 sulphate.

From 60 to 85 per cent of the ore is pure lead. The gangue is generally sulphate of baryta. The ore is often found in magnesian limestone or red clay interspersed with brown hematite, pyrites and ochre.

The mines which have been worked are mostly shallow.

The shaft of William's mine was from 25 to 75 feet deep.

The shaft of Shibboleth mine was from 16 to 60 feet deep.

The shaft of Price's mine was 10 feet deep.

At Granby, the lead comes to the very surface of the ground.

In November, 1865, Mr. Butler, the Superintendent of the St. Louis White Lead Factory, made a careful examination of Mine la Motte. His report to Mr. Banker, President of the Lead and Oil Company, embraces the following interesting facts: The ore, which is almost exclusively sulphuret, contains from 60 to 66 per cent of pure lead. It is found in a limestone formation, at a depth of from 22 to 30 feet below the surface. The earth which overlies the limestone varies from 6 to 12 feet in depth. Horizontal sheets of almost pure galena, varying from 1 to 12 inches in thickness, cover the beds of mineral; beneath them lies a layer of productive sulphuret, which extends downward from 4 to 6 feet. The mean thickness is 8 inches. The weight of a square foot of lead one inch thick is 40 pounds; the weight of a square foot of lead, eight inches thick, is 320 pounds.

Sometimes a single drill yields 100 of these nearly cubic feet in a month. But an average of 50 feet gives, as the product of one drill, 615 pounds a day, or 16,000 pounds a month. The daily expense of each drill is \$7 50. Each furnace smelts from 40 to 80 pigs of lead a day. An average product of 50 pigs, or 3,700 pounds, requires the reduction of 6,166 pounds of ore. The cost of smelting is \$37 a day.

Ten drills are necessary to keep one furnace in blast.

We are now ready for a summary of results:

3,700 lb. lead at \$5 71½, the average price in this market for the five years previous to 1861.....		\$211 50
Deduct freight to St. Louis, ½c. per lb.....	\$18 50	
Deduct commission for selling, 1 per cent on \$211 51.....	2 11	
Deduct cost of mining, ten drills at \$7 50 each.....	75 00	
Deduct cost of smelting.....	\$7 00—	125 61
Profit of one furnace per day.....		\$78 99
do do per month.....		2,369 97
do do per year.....		28,439 64

At this rate 100 drills, a number not exceeding the capacity of a large company, would yield an annual revenue of \$369,252.

During the first year large operations would involve a heavy outlay for shafts, drainage and machinery. But the cost of repairs and improvements could hardly exceed 30 per cent of the year's earnings.

The preceding estimates are based upon present facts, and not upon theoretical possibilities. They are founded upon the practical results of recent mining. An enlargement of present operations and a more extended use of existing facilities are all that is necessary to secure the success which the foregoing figures indicate.

Doubtless a treatment by the economic methods of science would give a measurably higher per centage of profit.

Perfectly pure galena contains 13.34 per cent of sulphur and 86.66 per cent of lead.

An uncrystallized specimen from Mine la Motte, analyzed by Dr. Litton, gave, together with traces of iron, copper and nickel, 13.50 per cent of sulphur and 84.50 per cent of lead.

Under our present wasteful processes the sulphurets of Mine la Motte sometimes yield 77.7 per cent of pure lead.

I except the slave labor of three proprietors, and scarcely 200 men have been ever at one time employed in the mines of Missouri. The operations have commonly been desultory and the methods unscientific. Miners have chiefly sought superficial deposits in soft clay, where the ore could easily be reached with the spade. Mining, by the systematic process which science teaches, will probably develop far richer deposits than any yet found.

Coal underlies a large portion of Missouri. It has already been discovered in thirty counties. Beds of cannel coal, 45 feet thick, have been found. There are 160 square miles of coal in St. Louis County. The amount of coal in Cooper County has been estimated at 60,000,000 tons. Under every acre of Boone County there is supposed to be at least \$1,000 worth of coal. The deposits in the vicinity of Booneville cover an area of 2,000 square miles. The strata have a mean thickness of three feet, and are calculated to contain 60,000,000 tons of coal.

The following estimates are based upon the survey of Professor Swallow:

Counties.	Square miles.	Mean thickness.	Tons of Coal.
Andrew, Atchison, Buchanan, Holt, Platte,	2,000	{ 10 feet,	20,000,000,000
		{ if only 2 feet,	4,000,000,000
Charlton, Linn, Livingston, Macon,	1,500	{ 12 feet,	18,000,000,000
		{ if only 4 feet,	6,000,000,000
State of Missouri,	{	{ 8 feet thick,	200,000,000,000
		{ if only 4 feet,	100,000,000,000

Upon this lowest estimate—which is more than 34,400,000,000 tons below the calculation of Professor Swallow—it would take, at 100,000 tons a day, more than 3,000 years, of 300 working days each, to exhaust the coal deposits of Missouri.

Iron abounds in different portions of Missouri, but the stupendous masses of almost solid iron, found in St. Francois, Iron and Reynolds Counties, dwarf the discoveries of other localities into significance. Before the blomaries of Ironton, the furnaces in other sections of the State must pale their ineffectual fires. The results of Dr. Litton's investigations

have been often published, but perhaps the use for which this article is designed will justify their reproduction.

Shepherd Mountain is 660 feet high. The ore, which is magnetic and specular, contains a large percentage of pure iron. The height of Pilot Knob above the Mississippi River is 1,118 feet. Its base, 581 feet from the summit, is 360 miles. The iron is known to extend 440 feet below the surface. The upper section of 141 feet is judged to contain 14,000,000 tons of ore.

The elevation of Iron Mountain is 228 feet, and the area of its base 5 acres. The solid contents of the cone are 230,000,000 tons. It is thought that every foot beneath the surface will yield 3,000,000 tons of ore. At the depth of 150 feet, an artesian auger is still penetrating so far.

Dr. Litton thinks that these mountains contain enough iron above the surface to afford for 200 years an annual supply of 1,000,000 tons.

The ore is almost exclusively specular.

It yields 56 per cent of pure iron.

The iron is strong, tough and fibrous.

Most of these statistics of the mineral resources of Missouri are taken from the reports of the geologists, though sometimes with reductions—from the calculations of Professor Swallow and Litton, their estimates of the amount of lead, coal, and iron in the State are founded upon elaborate researches. Their deductions are based upon geologic investigations and chemical analyses. The well-considered judgments of men of scientific eminence are certainly entitled to audience and respect. But suppose these learned geologists are mistaken in their statements—take one-hundredth part of their aggregates and you still have proofs of vast and exhaustless mineral riches. The fictional Arabian wealth hardly equal the reality of Missouri's treasures.

These ores underlie some of the richest land in the State. The owner possesses at once a fertile farm and a valuable mine. In some cases it is difficult to determine whether the agricultural or mineral resources are the most productive. Full coffers are the result of either industry. A poor man can earn enough in a few months to purchase a mineral farm upon prescribed conditions; less than \$20 will secure a homestead of 160 acres. The workman who, with a full knowledge of the facts, would prefer depending for a mere pittance in the mines of Europe to the independent ownership of a mine in Missouri, must be a miner who has not yet reached the years of discretion. He must be too young to have a mine of his own. It is to be hoped that the majority of foreigners have more wisdom.

No State can offer the miner better openings for business. The inducements which Missouri presents to him are great and substantial. Liberal wages will reward his service and enable him to satisfy his love of independence and home by the early acquisition of a freehold. Political equality, social respect, and material success await the myriads who, with knowledge of our mineral resources will soon make citizens of Missouri.

PRODUCTION AND CONSUMPTION OF COAL.

The following valuable statistics on this important topic have been furnished by W. H. Roberts, Esq., of the Statistical Bureau, United States Treasury Department, and lately appeared in the *Philadelphia Ledger*. They have been compiled from official data found in the archives of the Department :

PRODUCTION OF COAL.

The production of coal in the year 1863, in the United States and Europe, reached a sum total of 150,000,000 tons, distributed as follows among the respective coal producing countries :

Tons Coal Produced.		Tons Coal Produced.	
Great Britain.....	86,000,000	Prussia.....	10,000,000
Belgium.....	10,000,000	Russia.....	10,000,000
France.....	10,000,000	Other European countries....	4,000,000
Austria.....	4,500,000	United States.....	15,500,000
Total.....		150,000,000	

CONSUMPTION OF COAL.

The consumption of coal in the same countries in the year 1863 was as follows :

Tons of Coal Consumed.		Tons of Coal Consumed.	
Great Britain.....	78,000,000	Prussia.....	10,000,000
Belgium.....	7,000,000	Russia.....	11,000,000
France.....	16,000,000	Other European countries....	5,000,000
Austria.....	4,500,000	United States.....	15,500,000
Total.....		147,000,000	

Note.—The difference between the totals of production and consumption in Europe and the United States is owing to an export of 3,000,000 tons from Great Britain to South America and Asia.

CONSUMPTION OF COAL AS A MEASURE OF STEAM LABOR POWER INDUSTRY.

The quantity of coal consumed by a nation may be well taken as a correct measure of the extent of those industries which employ steam labor power. Great Britain, "the workshop," not only produces but consumes a larger quantity of coal than the rest of the world combined. Her miners in 1863 produced 86,000,000 tons of coal; 78,000,000 tons to supply her own necessities, and 8,000,000 tons for export to her commercial dependencies. In 1863 three of the great manufacturing countries of Europe, England, France and Belgium, compared in consumption of coal with each other, and the United States as follows :

Tons Coal Consumed.		Tons Coal Consumed.	
Great Britain.....	78,000,000	Belgium.....	7,000,000
France.....	16,000,000	United States.....	15,500,000

The production of coal in these four countries stood in 1863 :

Tons Coal Produced.		Tons Coal Produced.	
Great Britain.....	86,000,000	Belgium.....	10,000,000
France.....	10,000,000	United States.....	15,500,000

These data exhibit that Great Britain and Belgium, by a full development of their means of sustaining manufacturing industry, supply not only

their own wants; but also those of their neighbors—Great Britain exporting 8,000,000 tons, and Belgium 3,000,000 tons; that France, poor in coal, depends upon her more fortunate neighbors for the prosperity of her manufactures; that the United States, with a far larger coal area than France, consumes but the same quantity of coal; that the consumption of coal is as five to one in Great Britain and the United States respectively; that the steam labor power industry of Great Britain is, in its present development at least, in the ratio of 2 to 1 to the combined steam power industries of Belgium, France and the United States; that taking into consideration the relative areas of the countries compared, their order in extent of steam power industry, as measured by their consumption of coal, would be—first, Great Britain; second, Belgium; third, France, and fourth, United States. An examination of the British statements of exports, foreign and domestic, during the year 1864, and a comparison between them and the exports of the United States for the same year, fully supports the assumption that consumption of coal is a measure of steam labor industry. In the calendar year 1864, the value of articles exported from Great Britain, exclusive of specie, amounted to \$1,030,080,000, \$770,000,000 of which were the products of the United Kingdom, and classified as follows:

Broadstuffs, provisions and raw materials*	\$78,000,000
Manufacturers	701,000,000
Total	\$779,000,000

The exports of the United States for the fiscal year 1864, exclusive of specie, amounted to \$232,000,000, \$217,000,000 of which sum was the value of articles the produce of the United States, and classified as follows:

Broadstuffs, provisions and raw materials	\$162,000,000
Manufacturers	55,000,000
Total	\$217,000,000

The report of domestic manufactures from the two countries respectively, was, as we see, in 1864:

Great Britain	\$701,000,000
United States	55,000,000

The consumption of coal stood thus in 1864:

Great Britain	80,000,000 tons
United States	16,800,000 tons

Supposing that five-eighths the coal consumed in Great Britain was employed in steam labor industry, viz.: 50,000,000 tons, the quantity of coal consumed in steam labor industry in the United States measured by the relative ratio of values of manufactures exported, would be but 4,000,000 tons.

AREA OF COAL FIELDS.

Coal fields are found in almost every portion of the globe, but it is only in Europe and the United States that any approximate measurements

*Of these, coals, pig iron, (unwrought), leather, steel, copper and tin, and salt, amount in value to \$67,000,000.

their areas has been obtained. The area of the coal fields of Great Britain, France, Belgium, and the United States are estimated thus :

	Area Square Miles.		Area Square Miles.
Great Britain.....	11,859	Belgium.....	1,719
France.....	518	United States....	148,859

The figures of this estimate exhibit the vast superiority of the United States over Great Britain, France and Belgium in the natural resources of steam labor power, and clearly point to the supremacy of the Republic at no distant period by steam labor industries. The coal fields of Great Britain, France and Belgium extend over an area of 14,096 square miles, those of the United States over 148,569 square miles, a ratio of ten to one.

PRODUCTION OF COAL IN THE UNITED STATES.

The production of coal in the United States is continually on the increase, as will appear from the following statement of the production of coal in the fiscal years 1863, 1864 and 1865, the quantities being calculated from the Internal Revenue report of the amount of tax upon production of coal. Tons of coal produced : 1863, 15,500,000 ; 1864, 16,300,000 ; 1865, 17,000,000.

In the year 1860 the production of coal was estimated by the Superintendent of the Census at 15,000,000 tons. The production in 1865 was 17,000,000 tons, an increase in five years of 2,000,000 tons. At this rate of increase our production in 1870 might be estimated at 20,000,000 tons. The development of manufactures, however, consequent on the adoption of a protective policy, will greatly increase the production of coal, and it will be no matter of wonder if in 1870 its production in the United States reaches a total of at least 25,000,000 tons.

COMMERCIAL LAW.—NO. 31.

FIRE INSURANCE.

(Continued from page 192, vol. 54.)

The usual Subject and Form of this Insurance.

WE have seen that fire is one of the perils insured against by the common marine policies. It is usual, however, to insure buildings, and personal property which is not to be water-borne, against fire alone ; and this is what is commonly understood by Fire Insurance.

The general purposes and principles of this kind of insurance are the same as those of marine insurance ; and the law in respect to it differs only in those respects and in that degree in which the difference is made necessary by the subject-matter of the contract. Very many of the questions which occur under fire insurance may receive illustration from what has been already said upon similar topics and questions under marine insurance.

This kind of insurance is sometimes made to indemnify against the loss by fire of ships in port ; more often of warehouses, and mercantile prop-

erty stored in them ; or of personal chattels in stores or factories, in dwelling houses or barns, as merchandise, furniture, books, and plate, or pictures, or live stock. But by far the most common application of this mode of insurance is to dwelling-houses.

Like marine insurance, it may be effected by any individual who is capable of making a legal contract. In fact, however, it is always, or nearly always, in this country, and we suppose elsewhere, made by companies.

There are stock companies, in which certain persons own the capital and take all the profits by way of dividends. Or mutual companies, in which every one who is insured becomes thereby a member, and the net profits, or a certain proportion of them, are divided among all the members in such manner as the charter or by-laws of the company may direct. Or both united, in which case there is a capital stock provided, as a permanent guaranty fund, over and above the premiums received, and a certain part or proportion of the net profits is paid by way of dividend upon this fund, and the residue divided among the insured.

Of late years the number of mutual fire insurance companies has greatly increased in this country, and probably by far the largest amount of insurance against fire is effected by them. The principal reason for this is undoubtedly, their greater cheapness; the premiums required by them being, in general, very much less than in stock offices. For example, the insurance is effected for seven years, which is a common period, and a certain amount or percentage is charged, about the same as that charged by the stock companies, or a little more. Only a small part of this is taken in cash; for the rest a premium note or bond is given, promising to pay whatever part of the amount may be needed for losses which shall occur during the period for which the note is given. More than this, therefore, the insured cannot be bound to pay, and it frequently happens that no assessment whatever is demanded; and sometimes, where the company is well established and does a large business upon sound principles, a part of the money paid by him is refunded when the insurance expires, or credited to him on the renewal of the policy, if such be his wish.

The disadvantages of these mutual companies is, that the premiums paid and premium notes constitute the whole capital or fund out of which losses are to be paid for. To make this more secure, it is provided by the charter of some companies that they shall have a lien on the land itself on which any insured building stands, to the amount of the premium. But while this adds very much to the trustworthiness of the premium notes, and so to the availability of the capital, it is, with some persons, an objection that their land is thus subjected to a lien or encumbrance.

There is another point of difference which recommends the stock company rather than the mutual company. It is that the stock company will generally insure very nearly the full value of the property insured, while the mutual companies are generally restrained by their charters from insuring more than a certain moderate proportion, namely, from one-half to three-fourths of the assessed value of the property. It would follow, therefore, that one insured by a mutual company cannot be fully indemnified against loss by fire, and may not be quite so certain of getting the indemnity he bargains for as if he were insured by a stock company. But this last reason is, practically, of very little importance, and the lower rate of the premiums effectually overcomes the other.

The method and operation of fire insurance have become quite uniform throughout the country; and any company may appeal to the usage of other companies to answer questions which have arisen under its own policy; only, however, within certain rules, and under some well-defined restrictions.

In the first place, usage may be resorted to for the purpose of explaining that which needs explanation, but never to contradict that which is clearly expressed in the contract. And no usage can be admitted even to explain a contract, unless the usage be so well established, and so well known, that it may reasonably be supposed that the parties entered into the contract with reference to it. Thus if, under a policy against fire on a vessel in one port of this country, an inquiry is raised as to the local usage, the policy is not to be affected by proof of usage upon any particular matter in other ports of the world, or even of the United States. And not only the terms of the contract must be duly regarded, but those of the charter or act of incorporation; thus, if this provides that "all policies and other instruments made and signed by the president, or other officer of the company, shall bind the company," an agreement to cancel a policy should be so signed; although it cannot be doubted that a party insured might otherwise give up his policy, or renounce all claim under it, and that a valid agreement to that effect between him and the company would not be set aside, and the company still held, on the ground of a merely formal defect.

In regard to the execution of a fire policy, and what is necessary to constitute such execution, we say that delivery is not strictly necessary, and a signed memorandum may be sufficient, or, indeed, an oral bargain only, and that this insurance may be effected by correspondence, and that the contract is completed when there is a proposition and assent, as we have already said in reference to marine insurance.

The leading case on this subject came by appeal before the Supreme Court of the United States. The facts were briefly as follows. John Minot, the agent of an insurance company at Fredericksburg, at the request of Tayloe, who was about leaving for Alabama, made application for an insurance on his dwelling-house to the amount of \$8,000 for one year. This application was dated 25th November, 1844. A reply from the defendants was received, under the date 30th November, 1844. On the 2d of December Minot wrote to Tayloe, informing him of their willingness to effect the insurance, stating terms, &c., and added, "Should you desire to effect the insurance, send me your check, payable to my order, for \$57, and the business is concluded." But, in consequence of a misdirection of the letter, it did not reach Tayloe till the 20th. On the next day, the 21st, Tayloe mailed a letter accepting the terms, and remitting a check for the premium, with a request that the policy should be deposited in the bank for safe-keeping. This letter of acceptance was received by Minot on the 31st of December, and upon the 31st of January, 1845, he wrote to Tayloe, communicating his refusal to carry into effect the insurance, on the ground that his acceptance came too late, the house having been burned on the 22d of December. The company confirmed the view of the case taken by their agent, and refused to issue the policy or pay the loss. The court below passed a decree in favor of the defendants; but upon appeal to the Supreme Court, it was held that the decree should be reversed, and the plaintiff recover.

It has been held in an action on a fire policy, as doubtless it would be on a marine policy, that a memorandum made on the application book of the company by the president, and signed by him, was not binding where the party to be insured wished the policy to be delayed until a different adjustment of the terms could be settled, and after some delay was notified by the company to call and settle the business, or the company would not be bound, and he did not call; because there was here no consummated agreement. So, too, a subsequent adoption or ratification is equivalent, either in a fire or marine policy, to the making originally of the contract; with this limitation, however, that no party can, by his adoption, secure to himself the benefit of a policy, if it had not been intended that his interest should be embraced within it. It is quite common to describe the insured in marine policies by general expressions,—as, “for whom it may concern,” or “for owners,” or the like; but such language is seldom if ever used in fire policies, the insured being nearly always specifically named in them. There are some exceptions in the case of consignees, mortgagees, &c., which will be mentioned in a subsequent section.

ANALYSES OF RAILROAD REPORTS No. 7.

I. Pennsylvania Railroad.—II. Chicago and Alton Railroad.—III. Milwaukee & Prairie du Chien Railway.

PENNSYLVANIA RAILROAD.

The Pennsylvania Railroad, one of the four great lines from the seaboard to the interior, is composed of the following divisions:

Main Line—Harrisburg to Pittsburg.....	249 miles
Philadelphia Division—Philadelphia to Columbia.....	89 "
Branch—Altoona to Hollidaysburg.....	7 "
" —Blairsville Junction to Indiana.....	19 "
Total owned by Company.....	365 "

The following are leased and operated by the company, viz.:

Harrisburg & Lancaster Railroad ..	36 miles.
Columbia Branch.....	18 "
East Brandywine & Waynesburg Railroad.....	17½ "
Tyrone & Clearfield Railroad.....	25½ "
Bald Eagle Valley Railroad ..	51½ "
Ebensburg & Croason.....	10½ "
Huntington & Broad Top Railroad.....	31½ "
Bedford Branch.....	19½ "
Other Branches.....	19½ "
Western Pennsylvania	88 "—220 miles.

Total owned and leased (not including Philadelphia & Erie Railroad)

414 miles.

The Company also lease and operate the Philadelphia & Erie Railroad extending from Sunbury to Erie—287.5 miles; but this road is operated independently and its accounts are kept separate. It was opened through, October 17, 1863.

The canals belonging to the Pennsylvania Railroad Company have a total length of 276 miles of which 44 miles are slackwater. They are of no present value, but rather an expense to the Company. Their accounts are kept separately.

The main line of the Pennsylvania Railroad (including the Philadelphia Division and the Harrisburg & Lancaster Railroad) is double

track throughout. These with the branches and leased roads, and their sidings, etc., have an equivalent single track of more than a thousand miles.

ROLLING STOCK.

The rolling stock owned by the Company, Jan. 1, 1865, was as follows:

Locomotive engines.....	221
Passenger Trains: passenger cars 120, baggage cars 34, express 34, and emigrant 87....	225
Freight Trains: box cars 2,118, stock 990, gondola 1,545, and coal 800 (all 8-wheel), and coal (4-wheel) 100.....	5,221
Maintenance of Way Trains: box cars 15, and gondola cars 100 (8-wheel); dumping 111 hand 143, hand trucks 123, derrick trucks 7, and timber trucks 2 (4-wheel).....	542
Total number of cars.....	6,124

GENERAL ACCOUNT.

The following statement shows the amount of stock, bonds and other liabilities of the Company, and *per contra* the cost of the property and value of other assets held by the company on the last day of each year 1856-65, both inclusive:

Close of year	Share capital.	Funded debt.	Accounts, bills, &c.	Cont'gent fund.	Profit & loss
1856	\$12,646,626	\$8,516,841	\$65,245	.....	\$742,041
1857	12,306,136	14,929,840	790,869	\$371,546	979,379
1858	12,940,225	16,094,451	600,507	121,754	133,050
1859	12,942,125	16,922,517	43,250	406,474	723,298
1860	13,351,900	16,120,804	1,150,639	252,139	961,549
1861	12,354,100	16,932,764	1,143,572	895,641	2,001,22
1862	12,274,100	16,696,764	889,179	895,641	3,624,536
1863	12,430,350	16,949,124	1,120,366	1,000,000	5,721,945
1864	19,689,000	16,822,124	2,323,961	1,000,000	3,424,691
1865	20,000,000	16,797,121	3,651,417	1,000,000	4,449,225

The increase of capital in 1864 was caused by a stock dividend of 30 per cent in that year. Against the above are chargeable as follows, viz.:

Close of year.	Construction account						Other assets.
	Cost of main line, &c.	Canals & Phila. div. of R. R.	Engines and cars.	Railroad and telegraph.	Extension of road.	Stocks and bonds.	
1856	\$12,320,309	.....	\$2,377,819	\$1,250,790	.....	\$1,697,322	\$1
1857	12,744,421	7,500,000	2,542,223	1,420,571	\$2,096	1,000,000	1
1858	12,552,950	7,600,000	2,123,529	1,525,545	4,548	100,000	1
1859	12,915,329	7,500,000	2,174,472	1,681,295	5,214	202,763	1
1860	12,712,423	7,500,000	2,063,324	1,846,844	33,231	974,545	1
1861	12,925,022	7,500,000	2,447,522	1,634,336	277,714	1,421,061	1
1862	12,840,272	7,000,000	2,622,304	1,927,105	526,970	1,000,123	2
1863	12,724,348	6,900,000	2,543,434	2,622,908	791,664	2,979,493	4
1864	12,752,151	6,800,000	2,825,315	2,814,971	1,272,454	5,167,811	6
1865	12,745,091	6,700,000	2,375,024	2,966,466	1,022,733	6,242,624	7

The following are the details of the "construction account," as stated in the general account for the year ending Dec. 31, 1865:

Cost of road and appurtenances from Harrisburg to Pittsburg & stations, and warehouses on the Philadelphia division	\$17,224,275
Less profits of road, after paying interest to stockholders up to November 1, 1865, credited to cost of construction, as required by charter.....	522,126
Total	\$16,702,149
Amount paid State of Pennsylvania for Philadelphia and Columbia Railroad.....	\$4,500,000
And for canals and Portage Railroad.....	1,000,000
Less payments made of debt to State for purchase of main line, and charged to profit and loss.....	\$500,000
Equipment of road, consisting of locomotives, passenger and freight cars, &c.	6,700,000
Cost of real estate	\$2,375,034
Cost of telegraph line.....	2,081,906
Extension of Pennsylvania Railroad to Stauntonville and Pittsburg R. R. ..	43,254
Extension of Pennsylvania Railroad to Delaware River and Gas Works, including wharves and grain-elevator.....	1,152,256
Total cost of Company's roads, canals, &c.....	700,496
	\$21,502,296

The "stocks and bonds" held by the company represent the amount of aid they have extended to connecting roads. The following is the descriptive list of those on hand Dec. 31, 1865 :

Pittsburg and Steubenville R.R. 2d mort. bonds.....	\$431.5
Philadelphia and Erie R.R. sterling bonds, £106,600.....	597.4
" " 7 per cent bonds	7,312.0
Steubenville and Indiana R.R. stock (8,939 shares)	130.8
" " 6 per cent bonds (484 bonds).....	446.6
" " 7 per cent bonds (537 bonds).....	537.5
Other stocks and bonds of municipal and railroad corporations.....	2,500.0
Total stocks and bonds.....	\$6,912.8

The "other assets, balances, etc.," on the credit side of the ledger, and which are aggregated into the last column of the above tables, are given in detail for Dec. 31, 1865, as follows :

Bills and accounts receivable	\$2,461.1
Due from other roads.....	61.1
Debit of sinking fund	1,840.0
Fuel and materials on hand for shops, repairs to locomotives and cars, and maintenance of way	1,462.0
Advances to purchase materials and fuel to construct and operate Philadelphia and Erie Railroad	225.0
Balance in hands of agents	\$530,834
Balance in hands of treasurer.....	513,846
Total floating assets.....	\$1,777.1

The above accounts recapitulate as follows :

Cost of roads, canals and appurtenances.....	\$31,908.0
Stocks and bonds held by company.....	6,912.8
Floating assets.....	7,797.1
Total Dec. 31, 1865.....	\$45,617.9

The other side of the account stood at the same date as follows :

Capital stock	\$20,000.0
Bonds	16,500.0
Mortgages and ground rents on real estate.....	165.0
Accounts payable.....	\$3,034,918
Bill payable	877,130
Dividends uncalled for.....	42,899
Total	\$45,581.0
Contingent fund.....	1,016.0
Balance of income.....	4,440.0

The bonds as above are described as follows :

6 per cents, 1st mortgage bonds, due 1881	\$4,000.0
6 " 2d " due 1875.....	2,625.0
6 " " (sterling) 1875	2,875.0
5 " bonds to State.....	\$7,500,000
Loss paid eight annual instalments.....	800,000
Total	\$14,800.0

BUSINESS OF THE ROAD.

The number of passengers and tons of freight carried over the Pennsylvania Railroad and branches yearly for the ten years ending December 31, 1865, are shown in the following statement :

Fiscal Year.	Passengers		Freight, tons			Miles.
	Number.	Mileage.	Coal.	General.	Total tons.	
1856	824,446	42,147,582	190,344	263,643	453,987	119.3
1857	834,024	54,408,241	258,013	272,407	530,420	13.5
1858	884,343	45,934,932	340,588	213,729	554,317	14.6
1859	781,301	50,649,478	221,626	332,729	554,355	15.0
1860	1,303,444	55,100,886	523,228	328,872	852,100	26.7
1861	1,069,088	61,638,921	704,754	915,883	1,620,637	29.1
1862	1,143,418	82,897,805	835,146	1,323,408	2,158,554	35.1
1863	1,607,386	102,732,155	909,199	1,802,214	2,711,413	43.7
1864	2,587,514	146,873,005	1,086,779	1,478,097	2,564,876	21.6
1865	2,861,836	201,621,274	1,074,767	1,724,053	2,798,820	43.7

REVENUE ACCOUNTS.

The sources and amounts of gross earnings on the Pennsylvania Railroad and the branch roads operated by the Company, (but not including the Philadelphia and Erie Railroad) yearly for the ten years ending December, 1865, are shown in the following statement:

Years.	Passenger.	U. S. Troops.	Mails.	Expenses.	Freight.	Other.	Total.
1856.....	\$1,193,927	\$.....	\$.....	\$.....	\$3,244,291	\$276,906	\$4,720,124
1857.....	1,244,858	.....	64,544	63,961	3,374,041	109,263	4,855,670
1858.....	1,372,237	.....	74,489	75,120	3,536,206	127,273	5,185,330
1859.....	1,420,912	.....	74,483	75,120	3,656,111	133,726	5,362,355
1860.....	1,453,993	.....	74,504	75,120	4,191,784	137,300	5,932,701
1861.....	1,406,018	145,158	74,399	75,120	5,348,026	211,280	7,300,001
1862.....	1,731,392	379,393	74,773	146,852	7,663,420	303,460	10,004,290
1863.....	2,275,537	514,693	75,598	263,129	8,603,262	160,194	11,891,113
1864.....	3,331,895	511,774	76,830	345,411	10,361,999	148,148	14,759,057
1865.....	4,174,193	1,278,845	80,130	483,724	11,193,565	248,712	17,459,169

The following shows the total earnings, expenses, and profits from operations for the same years:

Fiscal Years.	Total Earnings.	Operating Expenses			Revenue or Profits.
		Ordinary.	Extraord'y.	Total.	
1856.....	\$4,720,124	\$2,814,568	\$.....	\$2,814,568	\$1,905,626
1857.....	4,855,670	3,000,743	.....	3,000,743	1,854,927
1858.....	5,185,330	3,021,885	.....	3,021,885	2,163,445
1859.....	5,362,355	3,130,738	.....	3,130,738	2,231,617
1860.....	5,932,701	3,636,299	.....	3,636,299	2,296,402
1861.....	7,300,001	3,653,062	.....	3,653,062	3,646,938
1862.....	10,304,290	4,209,296	1,221,778	5,431,074	4,873,218
1863.....	11,891,413	5,132,197	1,647,803	6,780,000	5,111,413
1864.....	14,759,057	8,225,640	2,468,284	10,693,944	4,065,113
1865.....	12,459,169	10,881,930	2,388,128	13,270,058	4,189,111

The extraordinary expenses (not distinguished before 1862) have been made chiefly for the erection and extension of stations, additional second track and sidings, tools and shop machinery, locomotives, cars, &c., a large part of which does not properly belong to the Pennsylvania Railroad but to the leased lines.

Annexed are the gross earnings and expenditures of the Pennsylvania Railroad and branches, the canals owned by the Company and the Philadelphia and Erie Railroad operated under lease:

Fiscal Year.	Gross Earnings			Expenses		
	Penn RR.	Canals.	P & E RR.	Penn RR.	Canals.	P & E RR.
1856.....	\$4,720,124	\$.....	\$.....	\$2,814,568	\$.....	\$.....
1857.....	4,855,670	92,433	.....	3,000,743	73,190	.....
1858.....	5,185,330	179,000	.....	3,021,885	124,058	.....
1859.....	5,362,355	197,519	.....	3,130,738	175,452	.....
1860.....	5,932,701	209,366	.....	3,636,299	154,761	.....
1861.....	7,300,001	176,109	.....	3,653,062	147,872	.....
1862.....	10,304,290	251,482	425,688	5,431,074	258,092	349,344
1863.....	11,891,413	287,156	727,670	6,780,000	362,374	554,897
1864.....	14,759,057	304,615	1,181,148	10,693,944	310,555	1,174,303
1865.....	17,459,169	181,015	2,074,141	13,270,058	279,843	2,314,769

The gross earnings and expenses of all the above works conjointly, with the resulting profit to the Pennsylvania Railroad Company are shown in the following statement:

Year.	Gross Earnings.	Expenses.	Profits.
1856.....	\$4,720,124	\$2,814,568	\$1,905,626
1857.....	4,943,103	3,073,933	1,848,170
1858.....	5,364,430	3,145,943	2,218,487
1859.....	5,559,904	3,306,190	2,253,714
1860.....	6,142,067	3,791,060	2,351,007
1861.....	7,476,110	3,800,934	3,675,176
1862.....	10,981,460	6,038,510	4,942,950
1863.....	12,906,239	7,697,271	5,208,968
1864.....	16,198,820	10,133,707	6,065,113
1865.....	19,714,325	15,894,671	3,819,654

During construction and up to May, 1862, the stockholders, from day of the payment of each instalment of capital received six per cent interest, free of taxes, upon their investment, from the net revenue of the road. Since May, 1862, the regular dividends have been ten per cent. and extra dividends have averaged over eight per cent. per annum and beyond this there remains, at the end of 1865, to the credit of the Company on the Company's books the large undivided sum of \$4,449, invested with other companies.

The dividends paid since May, 1862, have been as follows:

November, 1862.....	4	November, 1864.....	4
May, 1863.....	4	May, 1865.....	4
November, 1863.....	5	November, 1865.....	5
May, 1864.....	5		

And in May, 1864, a stock dividend of 30 per cent.

DEDUCTIONS.

The following gives the cost of the road per mile, and the gross earnings, expenses, (ordinary and extraordinary) and profits per mile; the ratio of expenses to gross earnings, and the ratio of profits to the cost of the road, yearly for the last ten years:

	Cost of road per mile.	Gross earnings per mile.	Total Expenses per mile.	Profits earned per mile.	Expenses to gross earnings.	Profits to cost of road.
1856	\$71,890	\$12,296	\$7,935	\$5,361	64.61	74.61
1857	73,990	12,673	8,453	5,220	61.80	70.80
1858	75,400	14,607	8,512	6,095	58.30	80.30
1859	77,400	15,105	8,819	6,286	58.40	81.40
1860	79,340	16,719	10,243	6,476	61.23	81.23
1861	81,640	20,563	10,390	10,173	50.05	124.05
1862	82,780	20,025	15,300	14,725	69.79	177.29
1863	85,070	23,677	19,099	14,578	66.88	172.88
1864	86,500	41,575	31,121	11,454	75.41	132.41
1865	88,970	42,181	27,880	11,301	79.00	127.00

PRICES OF STOCK AT PHILADELPHIA.

The price at which the company's stock (\$50 per share) has sold in Philadelphia on the first Thursday of each month for the years 1863, and '65, is shown in the following statement:

	1863.	1864.	
January.....	60 1/2 @ 60 1/2	63 1/2 @ 63 1/2	
February.....	68 1/2 @ 68 1/2	75 1/2 @ 75 1/2	
March.....	67 1/2 @ 67 1/2	70 1/2 @ 71 1/2	
April.....	66 1/2 @ 66 1/2	70 1/2 @ 70 1/2	
May.....	64 1/2 @ 65 1/2	70 1/2 @ 70 1/2	
June.....	67 1/2 @ 67 1/2	71 1/2 @ 71 1/2	
July.....	60 1/2 @ 61 1/2	73 1/2 @ 73 1/2	
August.....	64 1/2 @ 64 1/2	73 1/2 @ 73 1/2	
September.....	65 1/2 @ 65 1/2	74 1/2 @ 75 1/2	
October.....	69 1/2 @ 69 1/2	69 1/2 @ 69 1/2	
November.....	79 1/2 @ 79 1/2	69 1/2 @ 69 1/2	
December.....	60 1/2 @ 70 1/2	67 1/2 @ 67 1/2	
Year.....	60 1/2 @ 72 1/2	67 1/2 @ 79 1/2	53 1/2 @ 60 1/2

The Pennsylvania Railroad Company was chartered by an act of the Legislature, approved April 13, 1846, and authorized to construct a road from Harrisburg to Pittsburg, and branches to Erie, Blairsville, Uniontown, and to any parts of the counties through which the main line might pass. The capital authorized to be raised was \$10,000,000, with authority given by subsequent acts to increase it to \$20,000,000, and in consideration of the privileges granted, and for the protection of the public works, the company were to pay to the State three mills for every ton of freight carried one mile. The State also reserved to itself the right

to purchase the road at the expiration of twenty years at cost, with eight per cent interest thereon, deducting the profits of the company, but if this right should not be exercised, then the company to continue possession for a further period of twenty years, and so on from twenty years to twenty years.

The work of construction was commenced in July, 1847, and was conducted without any long intervals of cessation to its completion in December, 1852. The first section of 61 miles of the road, viz, from Harrisburg to Lewisburg was opened September 1, 1849; thence to McNeystown, 72 miles, December 24, 1849; thence to Shaeffers, 85 miles, April 1, 1850; thence to Huntingdon, 96 miles, June 10, 1850; thence to Hollidaysburg, 137 miles, September 16, 1850. At the last named place it made a connection with the Alleghany Portage Railroad, a State work, and at that time used for the transportation of boats over the mountains from one to the other division of the State Canal. On the Western Division of the line the road was completed from Johnstown (where the State Railroad ended) to Lockport, 18 miles, August 25, 1851; thence to Beatty's, 39 miles, December 10, 1851; thence to Turtle Creek, 65 miles, December 10, 1852, where it met the Pittsburg section of 13 miles, which had been in operation since December, 1851. The mountain division of the road between Altoona and the Portage Viaduct, 39 miles, was completed February 15, 1854, and the Indiana Branch from Blairsville to Indiana, 16½ miles, was completed June 9, 1856. In 1854 was commenced the laying of a second track, which has only recently been completed.

The policy of the company beyond the immediate construction of the road, has ever been the fostering of its western connections and lateral feeders. To this end the company obtained the passage of an act (March 23, 1853,) authorizing them to subscribe to the capital, or guarantee the bonds of other companies to the extent of 15 per cent of their own paid up capital. Under this authority, the company exchanged stocks with the Marietta and Cincinnati Company to the amount of \$650,000; with the Maysville and Big Sandy Company to the amount of \$100,000; with the Springfield, Mt. Vernon, and Pittsburg Company to the amount of \$100,000; and with the Ohio and Indiana and the Ohio and Pennsylvania companies to the amount of \$600,000, (subsequently increased by dividends to \$816,500.) In 1858 the accounts against the three first named companies were closed in the debts charged off as worthless. The loans to the last named company were financially successful, and resulted in a direct profit to the Pennsylvania Company. The liberal policy pursued by the company, however, has not been altogether thrown away, and if not directly, these loans will indirectly pay themselves through the vast development they have given to the great West, on which the Pennsylvania Company naturally depend for traffic and income.

Up to August, 1857, the company had run their cars into Philadelphia over the Columbia Railroad (a State work,) under contract with the Commissioners of Public Works. On the first of that month, in pursuance of an act passed by the Legislature, and a vote of the stockholders at a special meeting held July 13, this road, and also the main line of the State canals and Portage Railroad were purchased by the company. The price paid for the whole was \$7,500,000, for which the company issued to the State their bonds bearing five per cent interest, and made payable in

annual instalments of \$100,000 until July 31, 1890, and after that date in instalments of \$1,000,000 a year until the whole should be paid. The roads are now operated by the company, with the exception of the Portage road, which has been abandoned. By the terms of the contract of sale the State relinquished its right to purchase the road as provided in the original charter.

In 1858 the bridge over the Alleghany River was completed, and a junction made with the Pittsburgh, Fort Wayne, and Chicago Railroad.

In 1864-65, connection was made by a tunnel with the Pittsburgh and Stubenville Railroad, which work had been aided materially by this company, and, at the same time, among other improvements, the road had been extended to the Delaware River below Philadelphia. Large sums have also been recently expended in completing a number of lateral roads, which, for want of funds, had been languishing for years. Among these are the Bald Eagle Valley Railroad, the Tyrone and Clearfield, the West Chester, and the other roads named in a former section, all of which are leased to and under the control of the company.

Intermediate between the Pennsylvania Railroad proper, and the Philadelphia (late Columbia) to division of the line, or between Harrisburg and Dillerville, lies the Harrisburg and Lancaster Railroad, 36 miles, with a branch from Middletown to Columbia, 18 miles. The main line of this road has always formed a link in the Philadelphia and Pittsburgh line. It was leased in April, 1849, to the Pennsylvania Company for twenty years, the latter to pay certain rates per passage and per ton of freight, the amount to be determined every second year by arbitrators. This contract, however, was radically changed by an agreement entered into between the two companies in 1862, under which the Pennsylvania Company took the absolute possession of the road in consideration of paying 7 per cent on the share capital, and 6 per cent on the bonds used in its construction. The right of future purchase has also been agreed upon, and with this view, the stocks of the companies have been largely exchanged.

In 1862 the Pennsylvania Company took a lease of the Philadelphia and Erie Railroad, and completed it last year. As it is our intention to treat of this line in a special article, we postpone further reference to its affairs. That it will ultimately become the property of the Pennsylvania Company is not to be doubted.

Thus, in a period of less than fifteen years, have we seen the original progress of one of the vastest enterprises of modern times. At first but a link in the great chain of communication between the East and West, it has expanded to the magnificent work we behold at the present day, embracing, besides a main line of 355 miles, a large number of lateral and extension lines, and an independent line to the great lakes. Not a year has passed without some material progress; while, unlike most other great lines of the country, it has suffered little from financial trouble. The liberality of its owners in fostering connecting works has been a prosperous policy, for, though there has been some loss in this connection, the rapid development of the interior on account of the aid rendered by the company has fully made up the outlay sacrificed. Without this road, Philadelphia must have sunk into comparative insignificance, and it may be said with truth that the present and future of that great city depend for continued prosperity on the preservation of this line of communication with the progressive regions to the west of the State it traverses.

CHICAGO AND ALTON RAILROAD.

The railroad line, of which the Chicago & Alton Railroad forms the greater length, extends in a very direct line between the cities of Chicago & St. Louis, and is composed as follows :

Chicago & Alton Railroad—Joliet to Alton .....	.....	220 miles.
Leased: Alton & St. Louis Railroad	23 miles.	
" Joliet & Chicago Railroad	37 " 60 "	
Total length of line operated		280 miles

Previous to the completion of the Alton & St. Louis Railroad, Jan. 1, 1865, the company's cars were passed over the St. Louis Branch of the St. Louis, Alton & Terre Haute Railroad. The new line from Alton to East St. Louis is mainly owned by the Chicago & Alton Railroad Company, which holds 6,377 out of a total of 8,000 shares, representing its capital. The Joliet & Chicago Railroad is held under a perpetual lease (with an option of purchase), for which the company pays 8 per cent on \$500,000 bonds and 7 per cent on \$1,500,000 stock, which represent the cost of the road. The cost of the whole line as represented by stocks and bonds is now as follows :

Chicago & Alton Railroad, stock	\$4,208,600
" " bonds	4,019,000
Joliet & Chicago Railroad, stocks	1,500,000
" " bonds	200,000
Alton & St. Louis, Railroad, stock	800,000
Total cost of 280 miles of road	\$11,027,600

or about \$39,670 per mile of road.

The Chicago & Alton Railroad Company are successors to the St. Louis, Alton & Chicago Railroad Company, and commenced operations on the 16th October, 1862. The statements which follow cover the period from that date to December 31, 1865, being three years and two and a half months.

LOCOMOTIVE AND CAR STOCK.

The rolling stock owned by the company at the end of the years 1862 to 1865 was as follows :

	1862.	1863.	1864.	1865.
Passenger engines	8	9	10	12
Freight	20	16	18	25
Construction, switching and wood engines	7	8	18	20
Engines under repairs	6	12	8	8
" unfit for service	17	14	..	..
Total engines	58	59	49	66

The cars owned at the same periods were as follows :

	1862.	1863.	1864.	1865.
Passenger train cars	88	38	42	44
Freight cars—house	502	518	579	671
" " —stock	56	106	138	138
" " —platform	154	216	213	277
Total cars	750	878	972	1,130

OPERATIONS ON THE ROAD.

The mileage made by locomotive engines for each year 1863, '64 and '65, was as follows :

	1863.	1864.	1865.
On passenger trains	363,050	400,616
On freight trains	568,031	696,522
On wood trains	21,392	33,336
On construction trains	41,217	111,771
On switching	110,507	208,036
Total miles run	1,002,440	1,104,197	1,450,280

The number of passengers carried in the same years was—

	1961.	1961.
Local way.	200,029	207,981
Way exchanged with other roads.	21,575	21,801
Local through	17,092	19,229
Through exchanged with other roads.	8,226	12,221
Total way	261,597	262,739
Total through	35,997	32,156
Total way and through.	297,594	294,895

The amount of freight (tons of 2,000 lbs.) carried is shown in the following statement:

	1963	1964.
Freight shipped from all stations northward ... tons	174,866	174,866
" " " southward	211,630	211,630
" " Afton & below to north	82,725	82,725
" " Joliet and above to south	154,834	154,834

OPERATING ACCOUNTS.

The gross earnings and expenses of operating the road are shown in the following statement :

	1903. (3½ moe.)	1904. year.	1904. year.	1905. year.
Passenger earnings.....	\$115,437	\$721,059	\$974,549	\$1,400,000
Freight.....	215,467	1,120,448	1,479,650	2,100,000
Mails, express, &c., earnings....	12,348	81,680	89,909	100,000
Military earnings.....	28,007	88,583	227,067	100,000
Total gross earnings ...	\$771,259	\$2,011,770	\$2,770,166	\$3,700,000
Operating expenses.....	162,886	971,540	1,532,106	2,000,000
Profits.....	\$210,278	\$1,040,230	\$1,238,060	\$1,700,000

Less the following payments:

Joliet and Chicago Railroad lease.....	\$40,032	\$157,122	\$164,735	\$147,122
St. Louis, Alton and Terre Haute Railroad lease..	8,511	50,480	.....	.....
Alton and St. Louis Railroad dividend .....	.....	.....	42,064	.....
Alton & St. Louis Packet Comp'y	2,735	55,032	.....	.....
U. S. tax on passengers	{ 2,307 }	22,710	.....	.....
Omnibus transfer, ferry, &c.....		22,050	.....	.....
Total deductions.....	\$67,135	\$348,064	\$207,399	\$147,122
Net profits to Chicago and Alton Railroad Com- pany.....	\$142,128	\$701,865	\$1,620,999	\$1,620,999

INCOME ACCOUNT.

	1893.	1893.	1894.	1894.
Net profits as above.....	\$143,128	\$701,688	\$1,030,969	\$1,630,743
Surplus, Jan. 1		143,128	349,743	743,128
Premium on bonds sold, &c.....		9,397		
Lot at Alton sold				
Dividends on Alton and St. Louis stock.....			85,140	4,312
Total resources.....	\$143,128	\$854,401	\$1,435,871	\$2,467,983

Disbursed as follows :

Interest on bonds.....	.....	250,480	254,189	1907
Payments to sinking fund.....	.....	15,000	31,575	1908
Dividends on stocks.....	.....	122,328	226,712	1909
Construction and renewal account.....	.....	102,841	70,000	1910
Alton and St. Louis Railroad construction.....	.....	.....	.....	1911
Sundries.....	.....	.....	2,865	1912
Total disbursements.....	.....	\$504,659	\$674,625	\$1,179,284
Surplus December 31.....	\$148,129	\$319,742	\$741,226	\$1,209,131

GENERAL BALANCES.

The financial condition of the company, as exhibited on the General

Balance sheets, made at the close of the fiscal years 1862-1865, both years inclusive, is shown in the following abstract :

	1862.	1863.	1864.	1865.
Capital stock—preferred.....	\$2,464,836	\$3,422,596	\$2,425,200	\$2,425,400
" " common.....	1,779,886	1,783,342	1,783,100	1,783,200
Bonds—Sinking fund, due Nov. 1, 1877.....	600,000	585,000	554,000	519,000
Bonds—1st mortgage, due Jan. 1, 1893.....	2,400,000	2,400,000	2,400,000	2,400,000
Bonds—Income, due Jan. 1, 1883.....	1,100,000	1,100,000	1,100,000	1,000,000
Sinking fund—bonds cancel'd.....	.....	15,000	46,000	81,000
" " cash.....	.....	.....	575	134
Bonds and stocks unused.....	.....	85,000	38,813	37,813
Convertible scrip outstanding.....	.....	.....	619	319
Stores transferred from Receiver.....	75,820	.....	.....	.....
Joliet and Chicago Railroad shares on hand..	.....	500,000	.....	.....
Renewal fund, balance unexpended.....	.....	.....	351,786	.....
Alton and St. Louis R. R., construction fund unexpended.....	.....	.....	77,471	.....
Current accounts.....	157,877	151,735	378,296	810,968
Bills payable.....	.....	.....	.....	58,972
Surplus income Dec. 31.....	143,138	349,742	741,236	1,291,398
Total debit side.....	\$8,721,057	\$9,392,415	\$9,896,598	\$10,008,224
Cost of road (220 m.), equipment, etc.....	\$8,117,539	\$8,281,609	\$8,308,919	\$8,308,919
Bonds and stocks issued, but unused.....	.....	85,000	38,813	37,813
Alton & St. Louis R.R. shares on hand.....	.....	.....	647,700	637,700
Joliet and Chicago R.R. shares on hand.....	.....	.....	11,400	.....
7 per cent bonds held by Trustees.....	300,000	.....	.....	.....
Renewal fund (being \$500,000 Joliet and Chicago Railroad stock set apart as a fund to be used in acquiring rolling stock, etc....	.....	500,000	.....	.....
Bonds held by trustees on renewal account.....	.....	120,000	50,000	50,000
Supplies on hand Dec. 31.....	129,895	166,831	286,993	451,934
Timber land ago't, for steamers, barges, fuel, ties, &c.....	.....	.....	57,436	41,268
Trustees of sink. fund—cash.....	.....	.....	575	134
Interest in Chicago live stock depot.....	.....	.....	.....	50,000
Depot grounds—purchased in 1865.....	.....	.....	.....	28,639
United States—rolling stock sold to government.....	.....	25,300	.....	.....
Current accounts, including Jan. coupons, rents, &c.....	74,539	115,251	258,163	205,294
Bills payable.....	.....	.....	.....	3,526
Cash on hand.....	99,584	98,344	237,044	193,097
Total credit side.....	\$8,721,057	\$9,392,415	\$9,896,598	\$10,008,224

DEDUCTIONS.

The cost of road and the earnings, expenses and profits per mile ; also the proportion of expenses to earnings and of profits to cost of road, are shown in the following table :

Fiscal year.	Cost of road per mile.	Gross earnings per mile.	Operating expenses per mile.	Net profits per mile.	Exp'ses to earnings.	Profits to cost.
1863.....	\$37,644	\$7,221	\$3,471	\$3,750	48.07	9.98
1864.....	37,760	9,894	5,472	4,422	55.81	11.71
1865.....	37,760	13,714	7,166	6,548	52.30	17.34

The cost of road is deduced from the 220 miles belonging to the company ; the earnings, expenses and profits from the 280 miles constituting the line operated.

PRICES OF THE STOCKS AT NEW YORK.

The following shows the monthly range of the common stock :

	1863.	1864.	1865.		1863.	1864.	1865.
Jan.....	59 @ 65	84½ @ 89½	89 @ 92	July.....	65 @ 84	95 @ 98	90 @ 103
Feb.....	62 @ 64	81 @ 90	90 @ 95½	Aug.....	79 @ 86	84½ @ 97	96 @ 103
Mar.....	57½ @ 66	87 @ 96½	80 @ 90½	Sept.....	68 @ 82	86 @ 87	96 @ 101
Apr.....	60 @ 69½	65 @ 100	80 @ 92	Oct.....	78½ @ 87	80 @ 82	104 @ 106½
May.....	70 @ 85	88 @ 97½	82½ @ 93½	Nov.....	80 @ 91	85 @ 90	103 @ 106
June.....	63 @ 79	90 @ 99	87 @ 97½	Dec.....	81 @ 86	89 @ 93	104 @ 106½
Range of year.....	.....	.....	.....	.....	57½ @ 91	65 @ 100	80 @ 106½

been completed in March. On the 18th May construction was commenced, and the main track laid by the 1st of December. The line was not open for business, however, before the 1st of January, 1865. The Chicago and Alton Company pay for the use of this road 7 per cent per annum on the capital stock fixed at \$800,000. This new line has proved highly advantageous to the company in the transaction of its business.

The St. Louis, Jacksonville & Chicago Railroad was opened for traffic between Petersburg and its junction with the Chicago & Alton Railroad near Monticello (a distance of 88 miles) on the 1st January, 1866. By the extension of this railroad northward to a connection with the Chicago & Alton Railroad at a point 80 to 100 miles from Chicago all danger of a competing line to St. Louis would be obviated; and the control of the Jacksonville line, practically vesting in the Chicago & Alton Company under the provisions of a perpetual contract, insures a great increase of traffic to the main line which will probably render a double track from the Junction to Chicago indispensable.

In consequence of much difficulty having been heretofore experienced in the care and delivery of live-stock transported to Chicago on the different lines of railroad and the dissatisfaction on the part of dealers, causing shipments to eastern markets by routes avoiding Chicago, the several railroad companies whose lines terminate at Chicago united in 1865 in the purchase of grounds and the construction of a Live-Stock Depot near the Southern limits of the city, which in its magnitude and completeness for the purpose designed is unequalled. Its cost has exceeded \$1,300,000—the capital of its organization, known as the “Union Stock Yard & Transit Company” being \$1,000,000 and its indebtedness about \$300,000—the interest of the Chicago & Alton Company in the enterprise is equal to 1-20th and its cost \$50,000.

With Chicago and St. Louis, the two largest commercial cities of the interior, as the terminal points of the line, and with several of the largest and most flourishing cities of the State on it, such as Alton, Springfield, Bloomington and Joliet, with many large and growing towns, the Chicago and Alton Railroad has more than an ordinary bright future in prospect, and will become one of the most valuable properties in the country. The development of the agricultural resources of its commercial area, has, indeed, only just been commenced. This development is daily expanding, and at no distant period will demand far greater facilities than those now provided, to keep up with which the company will require constant accessions to its storage capacity and equipment. The reality will exceed any calculations that any prudent man would dare to predict. Hence no penurious, or contracted views or policy should be permitted a foothold in the management of the company's affairs, but all the means and energies necessary to encompass the most abundant results should be applied to the single purpose of the great end in view, the fullest accommodation of the public convenience and necessities, and the increased revenue resulting from such a condition of affairs.

The fluctuations of the preferred stock in the same years were as follows:

	1863.	1864.	1865.	1863.	1864.
Jan.....	85 @ 87	94 @ 95	90 @ 95	July.....	90 @ 98
Feb.....	83½ @ 85	92½ @ 93	92½ @ 93	Aug.....	92½ @ 97
Mar.....	80 @ 95	94 @ 100½	84 @ 93½	Sept.....	82 @ 91½
Apr.....	81 @ 91	95 @ 106	85 @ 95	Oct.....	90 @ 94
May.....	92 @ 99	94 @ 96	91 @ 107	Nov.....	89½ @ 96
June.....	88 @ 95	95 @ 97	92½ @ 105	Dec.....	92 @ 95½
Range of year.....	80 @ 99	90 @ 100½	84 @ 107		

DIVIDENDS ON THE STOCK.

Since the reorganization of the company the following dividends have been paid:

Date.	Prof.	Com'n.	
August, 1863.....	3½	3½	February, 1865.....
February, 1864.....	3½	—	August, 1865.....
August, 1864.....	3½	6	February, 1866.....

Total in three years.....

The Chicago and Alton Railroad Company are successors of the Chicago and Mississippi, afterwards called the St. Louis, Alton and Chicago Company, which constructed a railroad between Joliet and Alton, a distance of 220 miles. In 1859 the Chicago and Mississippi Company became bankrupt, and in December of that year the property was surrendered to a receiver. At this date the property of the company was in a disordered condition, and the company's employees in a state of mutiny. For repairs of every kind had been neglected, and the road was in full ruin. The hands had received no pay for months. To the honor of the Receiver, however, no long period elapsed before this state of affairs was remedied, and future operations were so conducted as to realize a complete regeneration of the property. In the meanwhile the company was being reorganized. By an agreement among the bond-holders on January 10, 1860, the junior creditors and stockholders were allowed to participate in the distribution of the new capital, their claims being properly scaled. This operation reduced the capital account to reasonable proportions, and made it possible that it should become dividend-paying. Matters to this end having been legally arranged, the Receiver on the 15th October, 1862, returned the property to the reorganized company.

That portion of the line from Joliet to Chicago, 37 miles, was constructed by the Joliet and Chicago Railroad Company. At first the receipts of the whole line were divided in proportion to the mileage by each company, each party maintaining its own road. Subsequently a permanent lease of this road was taken by the Chicago and Alton Company, which stipulated to pay for its use 7 per cent on the company's capital of \$1,000,000, and 8 per cent on its funded debt of \$500,000. At the same time, the option to purchase the road was secured to the Chicago and Alton Company. This section of the road is therefore under the immediate control of the latter, and may be considered as their absolute property, subject only to an annual rental. Its purchase, however, is only a matter of form and time.

The Alton and St. Louis Railroad, extending from the City of Alton to Bloody Island opposite St. Louis, 23½ miles, was conveyed to the Chicago and Alton Company under perpetual lease on the 16th April, 1864. The final survey

been completed in March. On the 18th May construction was commenced, and the main track laid by the 1st of December. The line was not open for business, however, before the 1st of January, 1865. The Chicago and Alton Company pay for the use of this road 7 per cent per annum on the capital stock fixed at \$800,000. This new line has proved highly advantageous to the company in the transaction of its business.

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MILWAUKEE & PRAIRIE DU CHIEN RAILWAY,

The Milwaukee & Prairie du Chien (formerly M. & Mississippi) way extends across the State of Wisconsin from Lake Michigan Mississippi River, and consists of—

MAIN LINE—Milwaukee to Prairie du Chien.....	192.0
BRANCH LINE—Milton, via Janesville, to Monroe.....	42.41
Total line owned by company.....	234.41
LEASED LINE—McGregor Western Railway in Iowa.....	60.00
Total line owned and leased.....	294.41

The lease made with the McGregor Western Company is dated 11, 1865 and is for 999 years. The M. & Prairie du Chien Company assumed possession April 1, when the road was open to Ossian 35. It was further completed to Counover, 50 miles, August now being extended to Austin, Minn., where it will connect with Minnesota Central Railroad, 65 miles from McGregor. Prairie du Chien and the McGregor Western Railroad connected by a bridge about to be constructed across the Mississippi. The accounts of these roads are kept separately.*

ROLLING STOCK.

The rolling stock owned by the Company at the close of each fiscal year is shown in the following statement:

	1861.	1862.
Engines—passenger.....	7	7
“—freight.....	26	26
“—switching.....	4	4
“ old and unused.....	8	5
Total Engines.....	45	44
Passenger and baggage cars.....	46	46
Freight cars.....	527	561
Gravel, ditching, &c., cars.....	106	106
Total Cars.....	678	709

Several of the old engines and cars have been sold and the proceeds turned over to the McGregor Western Railroad Company and their replaced with new ones. Two other new engines will be ready early in spring.

OPERATIONS OF THE ROAD.

The operations of the road, viz.: the mileage of engine and the passenger and freight traffic, are shown in the table below:

Mileage of engines with trains:

	1861.	1862.	1863.
Passenger.....	275,206	296,441	292,844
Freight.....	287,784	436,873	434,059
Wood and repairs.....	182,447	90,809	75,730
Total mileage.....	745,437	824,123	802,633

* The McGregor Western Railway (average length operated 43½ miles) for 10 months (April—December) \$213,329 or at the rate of \$5,529 per mile per annum including rent of rolling stock and working capital (\$18,503), amounted to \$1 cent of earnings, leaving as profits \$24,826. Passengers 24,435; freight 46,1 passengers 10,932 were shipped to west and 9,218 were received from west at M a total of 15,384 of westward freight 4,433 tons were shipped at Prairie du Chien at McGregor; and out of a total of 30,776 tons of eastward freight 769 tons McGregor and 29,007 tons at Prairie du Chien. From the profits were paid \$3 due August 1; \$49,291 on construction account, and \$1 250 for judgment, etc., account new.

Number and mileage of passengers :

	1861.	1862.	1863.	1864.	1865.
Way passengers—east	59,198	61,280	79,835	119,220	128,165
“ “ —west	61,474	65,155	83,823	121,925	132,333
Through “ —east	8,388	5,879	6,127	7,441	8,789
“ “ —west	5,123	4,890	6,849	8,792	11,307
Way & through pass.—east	63,586	66,659	86,102	126,661	136,954
“ “ —west	66,597	70,055	90,672	130,717	143,640
Total way passengers	120,672	130,435	163,708	241,145	260,498
“ through “	9,511	10,269	12,976	16,233	20,096
Total way & through	130,183	136,704	176,684	257,378	280,594
Mileage of passengers—east	3,352,716	3,075,824	3,771,090	5,323,371	5,617,324
“ “ —west	3,392,178	3,075,506	3,942,585	5,483,282	6,178,822
“ “ both ways	7,725,894	6,151,330	7,723,665	10,806,653	11,796,146

Tons and mileage of freight :

	1861.	1862.	1863.	1864.	1865.
Way freight—tons, east	123,681	118,632	129,296	87,645	72,035
“ “ —west	61,990	48,565	50,202	54,025	57,564
Through freight—tons, east	100,207	99,235	79,159	111,762	128,353
“ “ —west	14,916	15,868	19,515	23,298	32,964
Way & thro' do—tons, east	223,888	217,917	208,455	201,407	129,599
“ “ —west	76,906	64,433	69,787	77,323	161,317
Total way freight—tons	190,671	167,197	179,498	143,670	200,888
“ through freight—tons	115,123	115,153	98,674	135,060	91,528
Total way and through	305,794	282,350	278,172	278,730	290,916
Mileage of loaded cars—east	20,955,212	2,279,350	3,068,342	2,976,894	8,310,267
“ “ —west	7,320,138	1,487,240	1,619,933	1,829,450	2,115,842
Mileage of empty “ —east	37,176,350	380,335	391,855	717,064	503,438
“ “ —west		2,166,820	1,844,967	1,635,093	1,657,679
Total loaded cars		4,766,590	4,688,330	4,806,344	5,426,109
“ empty “		2,547,155	2,236,822	2,352,157	2,161,117
Total loaded & empty		7,813,745	6,925,152	7,158,501	7,587,226
Av. load (tons) per car—east		8.62	8.25	9.16	8.57
“ “ —west		4.17	4.13	4.25	4.41
“ “ —both		7.23	6.82	7.23	6.96

FISCAL OPERATIONS—EARNINGS AND EXPENSES, ETC.

The sources and amounts of gross earnings, the expenses of operation, and the amount and distribution of profits, yearly for the five years ending Dec. 31, 1865, are shown in the following statement :

	1861.	1862.	1863.	1864.	1865.
Passenger earnings	\$211,250	\$357,027	\$294,885	\$509,718	\$562,911
Freight earnings	835,173	855,902	904,157	1,149,958	1,389,459
Mails and rents	61,831	50,305	48,215	51,610	33,141
Total earnings	\$1,108,254	\$1,163,734	\$1,247,257	\$1,711,281	\$1,985,511
Expenses and taxes	672,315	748,993	793,747	1,206,951	1,337,890
Profits	\$436,039	\$414,741	\$453,510	\$504,330	\$647,631
Add balance for last year		292,874	211,057	278,532	229,938
Interest, discounts, &c.		5,623	5,169	6,620	7,374
Receipts from McGregor Railway Comp'y.					18,303
Total resources	\$436,039	\$713,238	\$669,736	\$789,532	\$903,246

Disbursed as follows :

Improvements at P. & Ch'n		\$67,852	\$26,180	\$91,430	\$16,496
Monroe and Dubuque R. R. surveys				4,370	
Milwaukee and Miss. R. R. Co. under liens	15,110	28,220	5,384	788	517
Real estate	500	1,022	50	8,876	10,239
New rolling stock					79,594
N. W. Telegraph line					14,154
Invested in bonds and preferred stocks		62,923			
Interest on bonded debt	118,405	172,900	170,485	106,400	38,202
Installments of sink'g fund	9,150	13,000	33,995	98,080	164,843
Reserved sinking fund					1,495
Dividends on preferred st'k		156,264	155,060	249,650	286,068
Balance to next year	292,874	211,057	278,582	229,988	291,648
Total disbursements	\$436,039	\$713,238	\$669,736	\$789,532	\$903,246

The amount of taxes, charged in the above to operating expenses, were in each year as follows :

1861	\$11,143	1864	\$72,230
1862	26,612	1865	112,234
1863	51,030		

The investment in 1862 in the bonds and stock of the company consisted of—bonds (59) \$51,738.75; 1st preferred stock (98 shares) 763.74, and 2d preferred stock (60 shares) \$3,420.00. These bonds and stocks were cancelled and the outstanding capital reduced much.

No dividends have as yet been made on the common stock.

GENERAL ACCOUNT, DECEMBER 31.

The financial condition of the company at the close of each of the five years has been as shown in the following table:

	1861.	1862.	1863.	1864.	1865.
1st mortg. bonds & scrip stock...	\$2,526,000	\$2,454,000	\$2,410,000	\$266,000	\$2,410,000
1st preferred stock.....	1,060,800	1,061,000	1,061,000	2,414,500	2,414,500
2d " ".....	1,020,000	1,014,000	1,014,000	1,014,000	1,014,000
Common ".....	2,761,800	2,761,800	2,761,800	2,968,073	2,968,073
Sink. fund bonds cancelled.....	181,400	219,300	253,200	343,700	343,700
Reserved sinking fund.....	.....	.....	.....	.....	.....
Convertible property & old debts account.....	141,967	141,967	141,967	141,967	141,967
Material reserve account.....	26,588	.....	.....	.....	.....
Car reserve acc't.....	.....	2,364	4,333	4,333	4,333
Station re'rve ac't.....	.....	.....	.....	10,700	10,700
Rolling stock reserve account.....	.....	.....	.....	.....	.....
Suspense account.....	.....	.....	.....	.....	.....
Balances payable to other companies.....	.....	31,535	26,361	277,126	277,126
Debits payable: notes and bills.....	55,550	48,491	66,803	126,751	126,751
Coupon account: coupons to become due Jan. 1.....	17,225	41,912	78,190	85,927	85,927
Reserved Government tax.....	.....	1,226	2,769	.....	.....
Iowa R. R. construction Co.....	.....	.....	.....	.....	.....
McGregor West'n Railway Co.....	.....	.....	.....	.....	.....
Balance of Income.....	292,874	211,057	278,563	229,266	229,266
Total.....	\$8,036,604	\$7,978,842	\$8,092,303	\$8,452,351	\$8,452,351
General property: cost of road, &c.....	\$7,500,000	\$7,500,000	\$7,500,000	\$7,736,273	\$7,736,273
McGregor West'n Railway Co: Stock advances.....	.....	.....	.....	.....	.....
Cash ".....	.....	.....	.....	.....	.....
Construction.....	.....	.....	.....	.....	.....
Materials on hand.....	100,000	100,181	118,431	257,709	257,709
Balances due from Agents, &c.....	16,868	15,028	18,954	47,220	47,220
Bal due from U. S. on military account.....	.....	51,492	16,415	156,945	156,945
U. S. Post office, due on mails.....	.....	6,665	5,362	5,362	5,362
McGregor West'n R'way bonds.....	.....	.....	4,872	4,533	4,533
Cash.....	416,738	228,406	428,919	276,315	276,315
Total.....	\$8,036,604	\$7,978,842	\$8,092,303	\$8,452,351	\$8,452,351

The bonded debt has been decreased chiefly by cancellation under operations of the sinking fund and purchase, and by conversions into preferred stock. The increase of the 1st preferred stock on the hand is due mainly to issues to satisfy such conversions of bonds for an advance (\$274,000) to the McGregor Western Company under an approved March 26, 1864.

DEDUCTIONS.

The following table shows the cost per mile of road, the earnings per mile, the expenses and profits per mile, the proportion of expenses to earnings, and the rate of profits to the cost of road.

	1861.	1862.	1863.	1864.
Cost of road per mile.....	\$31,966	\$31,966	\$31,966	\$22,966
Earnings per mile.....	4,728	4,965	5,321	7,301
Expenses ".....	2,868	3,195	3,336	5,149
Profits ".....	1,860	1,770	1,985	2,152
Expenses to earnings p. c.....	60.66	64.35	62.63	70.53
Profits to cost p. c.....	5.81	5.52	6.20	9.52

PRICES OF STOCKS AT NEW YORK.

In the following table are shown the range of prices of the Company's stocks at New York, monthly for the five years 1861-65, both inclusive:

FIRST PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January.....	74 @ 84	.....@.....	106 @110@.....
February.....	73½ @ 77	109 @109	110 @113@.....
March.....	77½ @ 80	108 @110@.....@.....
April.....	77 @ 79½	107 @107	115 @115@.....
May.....	79½ @ 85	110½ @110½	.....@.....	92 @ 95
June.....	90 @ 97½	.....@.....	115 @117	91 @ 93
July.....	88½ @ 90	106 @113	116 @120	90 @ 90
August.....	90 @ 90	102 @112	119 @123	92 @ 92½
September.....	94 @ 96	109 @110	111 @121	96½ @ 99
October.....	99 @100	.....@.....	.....@.....	101 @103
November.....	.....@.....	.....@.....	110 @111	101½ @103
December.....	103 @103	.....@.....	.....@.....	101 @102
Year.....	73½ @103	102 @112	106 @123	90 @103

SECOND PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January.....	59 @ 65	65½ @ 90	87 @ 90@.....
February.....	52 @ 57	76 @ 78	84 @ 88@.....
March.....	54½ @ 58½	77 @ 78@.....@.....
April.....	56 @ 58	73 @ 80	91 @ 91½@.....
May.....	50 @ 64½	81½ @ 90	90 @ 80@.....
June.....	64 @ 75	75 @ 82	90 @ 92@.....
July.....	66 @ 70½	78 @ 86	90 @ 94	69 @ 70
August.....	70 @ 78	85 @ 89½	92 @ 94	70 @ 75
September.....	79 @ 79	85 @ 88	.....@.....	83 @ 85
October.....	77½ @ 78	84 @ 88½	.....@.....	85 @ 90
November.....	77 @ 80	87½ @ 88	80 @ 80	88 @ 91
December.....	79 @ 84½	87 @ 88½@.....@.....
Year.....	52 @ 84½	67½ @ 90	80 @ 94	69 @ 91

COMMON STOCK.

	1861.	1862.	1863.	1864.	1865.
January.....	10 @14½	18½ @ 21½	35 @ 48	58 @ 62	34 @ 49½
February.....	10 @12½	19½ @ 21	35 @ 41	57 @ 69	41½ @ 48½
March.....	11 @13	20 @ 27½	35½ @ 40	53 @ 69½	30 @ 41
April.....	9 @ 11½	25½ @ 28½	34½ @ 44	63 @ 89	30 @ 42
May.....	9 @ 9½	26½ @ 30	43 @ 60½	59 @ 72	34 @ 43
June.....	14 @14	27½ @ 37	42 @ 56½	66 @ 71	33 @ 41
July.....	14 @15	30½ @ 34	50½ @ 69½	63 @ 70	35½ @ 40½
August.....	14½ @15	31½ @ 34½	67 @ 80½	61 @ 70	38 @ 41½
September.....	14½ @19½	32½ @ 38½	65 @ 79½	50 @ 62	48 @ 58
October.....	13½ @19	33 @ 38	66 @ 74	35 @ 49	50 @ 73
November.....	19 @23	31 @ 34	53 @ 70½	47 @ 56½	74½ @ 185
December.....	16½ @20	31 @ 34	50 @ 59	41 @ 55	90 @ 96
Year.....	9 @23	18½ @ 38½	34½ @ 90½	35 @ 89	30 @ 185

The Milwaukee and Prairie Du Chien Railway Company are successors of the Milwaukee and Mississippi Railroad Company, and are vested with their property by virtue of a sale under the process of foreclosure of a mortgage. The proceedings were for and on account of the several classes of creditors and stockholders of the old company, and the property purchased at the sale was conveyed to the present company, an association formed under the General Railroad Law of Wisconsin.

The indebtedness (less sinking funds) of the Milwaukee and Mississippi Company, September 1, 1860, was as follows:

Due employees, etc., preferred by order of court.....	\$35,112
Notes secured by mortgage of real estate.....	21,278
Ten per cent. 1st mortgage bonds.....	74,000
Eight per cent. 1st mortgage bonds.....	2,550,000
Interest due on 1st mortgage bonds.....	305,960
Ten per cent. 2d mortgage bonds, \$600,000, and interest.....	157,950
Sec 2d mortgage to City of Milwaukee, \$300,000, and interest ..	338,920
Third mortgage, \$396,000, and interest.....	408,639
Due to sinking fund.....	138,208
Amount of mortgage and preferred liens.....	\$5,036,167

Floating debt and interest	\$525,347	
Claim of Milwaukee, \$234,000, and interest.....	200,910	
Whole indebtedness as claimed.....		\$726,257
Share capital, general issue	\$2,635,100	
Share capital, issued for farm mortgages.....	787,800	
Total subject to reorganization.....		\$3,423,357

The road and property were sold and purchased at a cost of \$7,000, and paid for as follows:

First mortgage, seven per cent., thirty years' bonds.....	\$2,000,000
First-class preferred eight per cent. stock.....	1,000,000
Second-class preferred seven per cent. stock.....	1,000,000
Common stock.....	2,000,000

This arrangement reduced the old first mortgage from eight to seven per cent. bonds, and converted the other classes of debt into preferred shares, leaving the old common stock to come in at a scaled rate to make up the difference between the bonds and proposed shares, and the cost of the property, \$7,500,000.

The plan of reorganization was fully carried out, the sale perfected by articles of association, signed January 21, 1861, which is the initial chapter of the history of the present company.

On taking possession of the property the new company found the road and machinery in the greatest delapidation, and the accommodation for business very inferior. Their first object was to remedy these defects, and certainly the five years of possession just ended has wonderfully changed the aspect of affairs. The road is now in excellent condition, having been newly relaid. Storage and elevators have been erected at the terminal points of the main line, Milwaukee and Prairie Du Chien. The rolling stock has been completely regenerated and largely increased, and, in fact, every convenience has been provided for a large and prosperous business. The result has been an increasing revenue, regular dividends on the preferred stock, and considerable surplus revenue in hand. No dividends, however, can be paid on the common stock until the mortgage debt is paid off, and this by the action of the sinking fund and conversions is being rapidly done. Already the original \$2,550,000 has been reduced to \$402,000, and the whole will probably have been paid before the end of another year.

The original road was built by the Milwaukee and Mississippi River Company as before stated. Construction was commenced in 1860.

In 1851 there were completed and brought into use two sections of 18.10 miles, and a section of 18.40 miles; by the end of 1852 36.5 miles were in use; in 1853 89.5 miles, and in 1854 103 miles. No further mileage was completed until 1856, when 188 miles were in operation; during the next year the whole main line and the Southern line were finally completed. The section between Milton and Janesville was for several years used as a branch under the title of the Janesville Branch, but this now forms a link in the Southern line, which it is intended to extend from its present terminus at Monroe to the Mississippi River opposite Dubuque.

The McGregor Western Railway is an extension of the Milwaukee and Prairie Du Chien road into Iowa and Minnesota. It is now under the entire control of this company, and must eventually become a most important feeder to the present road. The two roads, in connection with

Minnesota Central Railroad, will form a continuous line between Milwaukee and St. Paul.

The improvements now being prosecuted are a bridge across the Mississippi at Prairie Du Chien, and the construction of warehouses, stations, &c., which are much wanted. The company are also constructing the Iowa line for its owners, and have furnished large sums for this object, chiefly in preferred stock.

As a matter of valuable record we collate from the reports of the old company a yearly account of its financial condition, as shown on the general ledger, and a statement of the revenue account from the first opening of the road to the period when they passed into other hands.

CAPITAL ACCOUNT, 1851-60.						
Fiscal year.	Capital stock.	Funded deb't.	Floating debt.	Total amount.	Miles of road.	Cost of property.
1851.....	\$692,015	\$74,000	.....	\$766,015	36.50	\$660,839
1852.....	729,938	566,000	81,281	1,379,219	71.50	1,167,787
1853.....	830,881	700,000	235,082	1,765,963	19.50	1,733,276
1854.....	985,665	1,447,500	228,535	2,661,700	103.00	2,704,583
1855.....	1,826,439	2,347,500	67,890	4,241,829	108.00	3,578,758
1856.....	2,975,019	3,481,000	312,158	6,768,175	188.00	6,152,016
1857.....	3,674,672	4,035,500	476,014	8,186,186	234.41	7,826,029
1858.....	3,696,693	4,347,000	278,261	8,321,954	234.41	8,114,126
1859.....	3,686,813	4,489,073	441,161	8,616,047	234.41	8,125,839
1860.....	3,777,800	4,341,469	525,347	8,644,616	234.41	8,125,839
As reorganized.....	4,944,000	2,556,000	.....	7,500,000	234.41	7,500,000

REVENUE ACCOUNTS, EARNINGS AND EXPENSES, 1851-60.								
Fiscal years.	Av. miles in u. c.	Gross Earnings.				Operating expenses.	Resulting profits.	Div. p. c.
		Passeng'rs.	Freight.	Other.	Total.			
1851.....	18.10	\$13,700	\$8,411	.....	\$22,111	\$7,596	\$14,515	nil.
1852.....	42.00	31,997	43,344	.....	75,341	32,858	12,483	"
1853.....	70.00	78,635	148,283	.....	226,918	87,115	139,803	"
1854.....	88.00	150,629	314,423	.....	465,051	149,252	315,799	10
1855.....	103.00	208,100	483,744	.....	691,844	273,797	418,047	10
1856.....	132.00	227,610	441,634	11,238	680,472	307,781	372,691	10
1857.....	188.00	399,090	469,920	13,808	882,818	412,200	470,618	nil.
1858.....	234.41	305,906	555,862	21,518	883,186	443,243	439,944	"
1859.....	234.41	210,973	512,318	23,208	746,499	438,951	307,542	"
1860.....	234.41	217,992	504,568	27,281	749,841	402,719	337,122	"

FINANCES OF TENNESSEE.

We have obtained through his Excellency the Governor of Tennessee, a detailed account showing the condition of the State finances, from which we have been able to prepare the facts and figures given below. In the present condition of the government and people it is impossible to furnish any reliable estimate of the probable future receipts or expenditures.

The annual expenses for the few years first previous to the war were \$700,000, but the future charge upon the Treasury for the same purposes must exceed that sum. There is also a large amount (\$5,169,740) of unpaid back interest, and also \$364,167 of the principal of the State debt proper over due, making a total of interest and debt due of \$5,533,907.

The debt itself is classified under different heads, and the following shows the total amount of each, and interest due to January 1, 1866:

DEBT OF TENNESSEE.			
	Original.	Interest.	Total.
State debt proper.....	\$3,894,607	\$849,553	\$4,744,160
State bonds loaned.....	14,006,000	8,769,507	17,775,507
State bonds endorsed.....	2,207,000	550,680	2,759,680
Aggregate debt and liabilities.....	\$20,107,607	\$5,169,740	\$25,277,347

Included in the above are a number of State bonds issued to railroad and turnpike

panies after the passage of the ordinance of secession, but which had been authorized by the Legislature before that occurrence as follows :

Year of issue.	Companies to which issued.	Amount of issue.
1861	Louisville and Nashville Railroad.....	\$500,000
1861	Nashville and Northwestern Railroad.....	100,000
1861	Mobile and Ohio Railroad.....	175,000
1861	Carthage and Rome Turnpike.....	50,000
1861	Maneher's Creek and Springfield Turnpike.....	100,000
1861	Carthage, Alexander, and Red Sulphur Turnpike.....	100,000
Total issued by secession authorities		\$3,325,000

It is not believed by the State authorities that any legal obligation rests upon the State for the payment of interest or principal of these bonds, and the Legislature has made no provision for them.

Under the head of "State Debt Proper" are classed all issues for which the State is directly liable, viz.:

Classes of Bonds.	Original debt.	Interest to Oct., 1866.	Total debt.
Bonds issued for turnpike stock:			
10 per cent bonds	\$1,081,180	\$296,243	\$1,377,423
do do	187,167	30,301	217,468
Bonds issued for bank stock:			
10 per cent bonds (B. of Tennessee).....	1,000,000	240,000	1,240,000
do do (Union Bank).....	125,000	25,000	150,000
Bonds issued for rail road stock:			
10 per cent bonds (E. Tenn & Go. RR).....	650,000	180,000	830,000
do do (La Grange & Mis R).....	83,250	16,650	99,900
do do do do	102,000	31,420	133,420
Bonds issued for public purposes:			
10 per cent bonds (Hermitage).....	48,000	11,520	59,520
do do (State capital)	658,000	157,920	815,920
Total State debt proper.....	\$3,894,607	\$849,553	\$4,744,160

The following shows the amounts due in each year :

..... \$86,667	1869	\$331,500	1874	\$185,000	1880	\$331,500
..... 61,250	1870	374,750	1875	39,000	1881	7,500
..... 177,750	1871	441,000	1876	82,300	1882	9,000
..... 58,500	1872	399,500	1877	102,800	1883	and—
..... 1,245,000	1873	81,000	1878	98,000	1884	4,000

The portions stated above as now due are the bonds of 1861-64, amounting to \$4,167.

The class "State Bonds Loaned" includes all those issues which have been loaned to the security of the works for which they have been separately made, and issued to the Agricultural Bureau. The following are the details :

STATE BONDS LOANED.

Companies to which loaned.	Original debt.	Int to Jan., 1866.	Total debt.
Bonds loaned to Railroad Companies :			
1st Tennessee and Virginia.....	\$1,599,000	\$444,700	2,043,700
1st Tennessee and Georgia	1,160,000	272,800	1,432,800
Memphis and Charleston	1,061,000	262,200	1,323,200
Memphis and Ohio	1,493,000	403,110	1,896,110
Memphis and Manchester	264,000	87,360	351,360
Tennessee and Alabama	853,000	211,581	1,064,581
Mississippi Central and Tennessee.....	574,000	164,980	738,980
Mobile and Ohio.....	1,296,000	349,280	1,645,280
Paducah and Kentucky, and Louisville & Nashville	211,000	63,900	274,900
Memphis, Clarksville, and Louisville.....	1,042,000	312,600	1,354,600
Memphis and Alabama	453,000	143,259	596,259
Paducah and Nashville	455,000	126,015	581,015
Paducah and Kentucky	645,000	200,762	845,762
Central Southern	584,000	128,160	712,160
Paducah and Jefferson	164,000	88,160	252,160
Mississippi and Tennessee.....	95,000	22,800	117,800
Nashville and Chattanooga	154,000	36,000	190,000
Nashville and Northwestern.....	1,455,000	392,400	1,847,400
Cincinnati, Cumberland Gap, and Char'n.....	132,000	31,680	163,680
Paducah and Kentucky.....	180,000	42,900	222,900
Bonds loaned to turnpike companies	65,000	17,000	82,000
Bonds loaned to Agricultural Bureau.....	80,000	7,200	87,200
Total State bonds loaned.....	\$14,006,000	\$3,769,507	\$17,775,507

The State has also endorsed the bonds of several railroad companies, viz.:

BONDS ENDORSED BY THE STATE.

Railroad companies.	Original bonds.	Int. to Jan., 1866.	Total Liabilities.
Nashville and Chattanooga	\$1,546,000	\$371,040	\$1,917,040
East Tennessee and Virginia	185,000	44,400	229,400
East Tennessee and Georgia	126,000	30,240	156,240
Memphis and Little Rock (Arkansas) ..	850,000	145,000	455,000
Total endorsed bonds	\$2,207,000	\$550,680	\$2,757,680

The bonds endorsed for the Memphis and Little Rock Railroad were, in fact, bonds of the City of Memphis loaned to that company and endorsed by the State.

The subject of funding this debt and paying this over due interest was discussed at great length by the Legislature, and finally the following act was passed authorizing the issue of new bonds:

An Act to amend an Act entitled "An Act to establish a System of Internal Improvement in this State," passed the 11th of February, 1852.

SECTION 1. Be it enacted by the General Assembly of the State of Tennessee, that the act aforesaid be so amended that the Governor of this State be authorized and instructed to issue the six per cent coupon bonds of the State, similar in character in every respect to the bonds issued under the act that this is intended to amend, and maturing at the same time, to amount sufficient to pay off all the bonds and interest past due, as well as that to fall due Jan. 1, 1866, or on any bonds that may fall due during the year 1866, issued or indorsed by the State, that were issued or indorsed previous to the so-called act of secession, passed the 6th day of May, 1861.

SEC. 2. Be it enacted, That said bonds shall be dated the 1st day of January, 1866, and be payable on the 1st day of January, 1892.

SEC. 3. Be it enacted, That said bonds shall, in no event, be sold, exchanged, or negotiated, at less than their par value; but they may be exchanged for the interest coupons bonds hereby provided to be paid, estimating each at their par value.

SEC. 4. Be it enacted, That the amount of interest now due, or that may become due by Jan. 1, 1866, by any railroad company to the State on bonds issued to or indorsed for said company, shall be charged up to said company on the same terms and conditions of the original loan under the law this is intended to amend, and the State shall have the lien upon each of said roads, their franchise and property, for the prompt and faithful payment of the principal and interest of the bonds hereby authorized to be issued to pay the interest on the bonds said company should have paid interest on, or it has under the law this is intended to amend, for the bonds issued under said law.

SEC. 5. Be it enacted, That the several railroad companies receiving aid under this act shall pay the interest on said bonds, as it matures, in the same manner and under the same rules, regulations and restrictions as they are now required to pay on the bonds issued or indorsed for them under the act this is intended to amend, commencing the payment of said interest on the 15th day of June, 1866.

SEC. 6. Be it enacted, That the law now requiring all railroad companies in this State to pay into the Treasury 2½ per cent per annum as a sinking fund on the amount of their indebtedness to the State, be, and the same is hereby suspended until Jan. 1, 1867, and said companies are relieved from the payment of the sinking fund now past due under said law.

SEC. 7. Be it enacted, That each and every railroad company in this State, who have or may receive aid under this act, or the act this is intended to amend, or any amendment thereto, shall pay to the Treasurer of the State during the year 1867, four per cent on the amount of indebtedness to the State as a sinking fund on said debt, to be paid on the bonds of the State of a like character to those issued or indorsed for said company, with the coupons on the same not matured, said payments to be made semi-annually on the 1st of April and October, and a like amount every year thereafter until the whole of their indebtedness is discharged.

SEC. 8. Be it enacted, That the Governor of the State shall, through the proper State officers, or by himself, or through such other agent or agents as he may appoint for the purpose, have the bonds hereby provided to be issued, negotiated, and the proceeds of the same applied to the payment of the interest now due, or to fall due Jan. 1, 1866, on all bonds issued or indorsed by the State, as hereinbefore provided, or exchange said bonds with the holders of said coupons, so as to pay off and liquidate said interest.

SEC. 9. Be it further enacted, That the expense of issuing and negotiating said bonds shall be paid out of any money now in the Treasury not otherwise appropriated, and the same be collected from the railroad companies in proportion to the amount issued for the benefit of said companies pro rata.

RAILROAD DEBT OF MISSOURI.

Up to 1849 Missouri had taken no part in the internal improvement movement which had swept over the new States to the east of the Mississippi. In that year the importance of a railroad connection to California, to secure our then new possession, forced itself on the public mind, and St. Louis, by common consent, was designa-

ted as the point of departure. In March, 1849, the Pacific Railroad was incorporated and in 1851 the State, through its Legislature agreed to lend its bonds to this and other railroad companies on specified conditions. The purport of these conditions was substantially as follows: Whenever the directors of a company should give of a *bona fide* subscription of \$50,000 by individuals, the State would issue an amount of bonds for each subscription until the appropriation should be exhausted. To secure itself from loss, the State took a first mortgage on the franchises and properties of the several companies to which these issues were made, including Congressional land grants.

While these issues were in progress the financial panic of 1857 supervened, and the further negotiation of the bonds was abandoned. The Legislature then promptly enacted a new law to place the State credit on a firm basis. The further issue of bonds was restricted to a sum (\$2,120,000) required to complete work nearly done. A tax of one mill was ordered to be levied on all assessments, and paid over to the Commissioners of the Interest Fund. These, with some other provisions, were enacted to meet the emergency; but, as events proved, were insufficient, for in the through default of most of the companies the fund fell short, and the State was obliged to borrow money to meet a part of the interest on the bonds. Such was the origin of the nine per cent. revenue bonds, which now form a part of the railroad debt of the State.

The following table shows the companies to which bonds were issued, the amount authorized and the amount issued up to the close of 1865:

Titles of Companies.	Date of Act.	Amount	
		Authorized.	Issued.
Pacific.....	February 22, 1851.....	\$2,000,000	\$2,000,000
	December 25, 1852.....	1,000,000	1,000,000
	December 10, 1855.....	1,000,000	1,000,000
	December 10, 1856.....	2,000,000	2,000,000
	March 8, 1857.....	1,000,000	1,000,000
South West Br'ch.....	December 10, 1855.....	4,500,000	4,500,000
	March 8, 1857.....		
Hannibal and St. Joseph.....	February 22, 1851.....	1,500,000	1,500,000
	December 10, 1855.....	1,500,000	1,500,000
	December 23, 1859.....	2,000,000	1,900,000
North Missouri.....	December 10, 1855.....	2,000,000	2,000,000
	March 8, 1857.....	1,500,000	1,500,000
	February 23, 1858.....	750,000	750,000
St. Louis & Iron Mountain.....	March 8, 1855.....	750,000	750,000
	December 10, 1855.....	1,500,000	1,500,000
	March 8, 1857.....	600,000	600,000
Cairo & Fulton.....	March 2, 1859.....		
	December 11, 1855.....	250,000	250,000
Platte Country.....	March 8, 1857.....	400,000	400,000
	March 8, 1857.....	700,000	700,000
Total Railroad Bonds.....		\$34,950,000	\$32,800,000
Add Revenue Bonds.....			400,000
Total railroad debt.....			\$33,200,000

It thus appears that all the companies except the North Missouri received the full amount authorized. This company failed to pay interest before the total amount was drawn, and consequently further loans were withheld by the State.

During the late war Missouri suffered largely, not only from the destruction of railroads but also from the consequent suspension of industrial pursuits. Under such circumstances it was impossible that the companies could pay the coupons falling due semi-annually, and indeed no interest has been paid on the railroad debt since January, 1861, except by the Hannibal and St. Joseph Company which has paid promptly.

On the re-organization of the State, one of the first acts of the Convention was to restore the public credit which the calamities of war had so seriously involved.

this end an ordinance was passed April 8, 1865, (by a subsequent vote of the people made a part of the fundamental law of the State), which provided for the collection of a tax of one-fourth of one per centum on all other real estate and property, and its application to the payment of the debt and accrued interest. This ordinance indicates the policy to which the State has pledged itself. The funding act recently passed by the Legislature (a copy of which is appended), arranges the terms on which the debt is to be liquidated. We refer to this law for the details. Its chief provision is the funding of the principal of the whole debt and the interest that has accrued, and may accrue up to Jan. 1, 1868, into a consolidated thirty-years debt. The loan to the Hannibal and St. Joseph Company, however, is excepted, for the reason that the Legislature were satisfied with its ability to protect the State from loss. The interest on the new bonds will be three per cent for the first four years, four per cent for the second four years, five per cent for the next four years, and six per cent for the next six years, and increasing one per cent every four years after. This arrangement is based on the probable proceeds of the Convention tax on an increasing valuation.

The debt thus provided for principal and interest is briefly stated in the following table :

	Principal debt.	Interest to Jan. 1, '68.	Total amount.
Pacific Railroad.....	\$7,000,000	\$2,940,000	\$9,940,000
Southwest Branch Railroad.....	4,500,000	2,080,000	6,580,000
North Missouri Railroad.....	4,350,000	1,827,000	6,177,000
Iron Mountain Railroad.....	3,000,000	1,470,420	4,470,420
Calo and Fulton Railroad.....	650,000	273,000	923,000
Platte Country Railroad.....	700,000	294,000	994,000
Revenue Bonds.....	431,000	232,680	663,680
Total.....	\$21,531,000	\$9,067,050	\$30,598,050

In the meanwhile the relation between the State and railroad companies remains undisturbed. The State lien is intact, and whatever amounts the companies may pay on principal and coupons, are to be added to the sinking fund for the redemption of the new issues. The operation of the new law consolidating the debt and graduating the interest is shown in a table accompanying the report of the committee on whose advice it was passed. In this are given the estimated valuation, revenue, interest and sinking fund yearly and the remaining debt at the close of each year for the thirty years necessary for its final extinction. We copy this table for the information of our readers.

GRADUATED INTEREST PLAN

Showing valuation, revenue, payment of interest and principal for thirty years.

Years.	Estimated val.	Rev'e. in % per cent.	Rate of Interest int'l. to be paid.	Surp. for s'k'g fund.	Principal remain'g.
1868.....	30	\$900,000	3	\$900,000	\$29,000,000
1869.....	30	968,000	3	900,000	28,987,000
1870.....	30	1,030,000	3	898,110	28,906,000
1871.....	30	1,102,000	3	894,180	28,808,000
1872.....	30	1,179,000	4	1,183,980	27,625,000
1873.....	30	1,262,000	4	1,183,980	26,441,000
1874.....	30	1,350,000	4	1,181,000	25,256,000
1875.....	30	1,445,000	4	1,174,940	24,081,000
1876.....	30	1,540,000	5	1,464,900	22,916,000
1877.....	30	1,634,000	5	1,449,750	21,766,000
1878.....	30	1,737,000	5	1,439,550	20,626,000
1879.....	30	1,834,000	5	1,424,700	19,491,000
1880.....	30	1,916,000	6	1,685,700	18,305,000
1881.....	30	2,031,000	6	1,871,800	17,063,000
1882.....	30	2,111,000	6	1,680,380	15,843,000

* From this total there is to be deducted the amount paid in coupons and bonds by the several State banks and by the late owners of the Platte County Railroad, being about \$200,000.

† Deficit.

1883	985,470,000	2,927,000	0	1,058,700	254,200	25
1884	1,004,748,000	2,868,000	0	1,097,100	252,200	26
1885	1,023,026,000	2,808,000	0	1,035,700	250,200	27
1886	1,100,404,000	2,808,000	7	1,333,770	250,200	28
1887	1,197,844,000	2,808,000	7	1,070,740	1,016,200	29
1888	1,233,770,000	2,770,000	7	1,037,400	1,002,200	30
1889	1,270,790,000	2,400,000	7	1,000,000	1,000,000	31
1890	1,306,915,000	2,048,000	0	1,007,000	1,007,000	32
1891	1,341,040,000	2,048,000	0	1,000,000	1,000,000	33
1892	1,376,067,000	2,104,000	0	1,010,000	1,010,000	34
1893	1,409,093,000	2,018,000	0	1,000,000	1,000,000	35
1894	1,473,103,000	2,014,000	0	1,007,000	2,006,970	36
1895	1,511,200,000	2,014,000	0	1,071,000	2,006,100	37
1896	1,551,300,000	2,518,000	0	001,120	2,006,100	38
1897	1,000,000,000	2,000,000	0	000,000	2,007,140	39

The following is a copy of the law to which we have referred in the foregoing marks:

An Act for the Consolidation of the State Railroad Debt, to provide for the Payment of the Interest thereon, and the Funding and the Redemption of the

Debt created by the General Assembly of the State of Missouri, as follows:

Sec 1. To provide for the funding of the principal and interest now due and unpaid, interest accruing up to Jan. 1, 1898, of the railroad indebtedness of the State of Missouri, the effort is hereby directed to cause to be issued consolidation bonds of the State of Missouri of \$1,000 each to be dated on the 1st day of January 1898, and payable 20 years thereafter with coupons attached for the interest thereon, payable semi-annually as follows, to wit: rate of three per centum per annum for the first four years, at the rate of four per centum per annum for the next four years, at the rate of five per centum per annum for the next six years, at the rate of seven per centum per annum for the next four years, at the rate of eight per centum per annum for the next four years, and at the rate of nine per centum per annum for the last four years.

The principal and interest coupons shall be payable at the Bank of Commerce in the New York, or such other bank as the General Assembly shall hereafter designate. The amount of the consolidation bonds, as to be issued, shall not exceed \$20,000,000.

The said bonds shall be signed by the Governor, countersigned and sealed with the seal of the State by the Secretary of State, and shall be registered in the office of the State Auditor and Secretary of State, and the faith and credit of the State are hereby pledged for the payment of the interest and the redemption of the principal thereof.

Sec 2. The said bonds shall be issued for the single object of consolidating the present railroad indebtedness of the State and shall be used only in exchange for the bonds heretofore issued by the State, as well as those guaranteed by the State in aid of certain companies, to wit: for the seven thousand bonds in aid of the Pacific Railroad Company, for the five thousand five hundred bonds in aid of the Pacific Railroad Company, for the southwest branch thereof for the four thousand three hundred and fifty bonds in aid of the North Missouri Railroad Company, for the three thousand five hundred and one bonds in aid of the St. Louis and Iron Mountain Railroad Company, for the six hundred and fifty bonds in aid of the Cairo and Fulton Railroad Company, for the seven hundred bonds in aid of the Platte Country Railroad Company, and for the interest on all of said bonds, as aforesaid, and also in exchange for the revenue bonds now outstanding and unpaid, together with interest thereon.

Sec 3. The holders of the bonds aforesaid shall at any time after the passage of this act have the privilege of exchanging said bonds and the unpaid coupons thereon, and those matured on and including Jan. 1, 1898, for a like amount in consolidation bonds in the manner following: the bonds to be exchanged for consolidation bonds shall be surrendered to the State Auditor, who shall cancel said bonds and coupons, and indorse each cancelled bond with the words "exchanged for consolidation bonds," which indorsement shall be attested by the Secretary of State, and the State Auditor shall preserve and hold said uncanceled bonds and coupons until the amount for which the State has a lien on the respective roads in aid of which they have been issued. The State Auditor shall deliver in lieu of the bonds so cancelled, consolidation bonds to the full amount of said bonds and interest coupons unpaid up to and including Jan. 1, 1898, provided that, for any balance less than \$1,000, the State Auditor shall give in exchange certificates of indebtedness which shall be convertible into consolidation bonds whenever presented in sums of not less than \$1,000. These certificates of indebtedness shall be signed and sealed by the Secretary of State, and countersigned by the State Auditor, who shall keep an accurate register of all the bonds and certificates of indebtedness now outstanding and of all consolidation bonds, as well as certificates countersigned by him and delivered in exchange.

Sec 4. To provide for the certain and prompt payment of the semi-annual interest on consolidation bonds, a tax of one-quarter of one per centum on all real estate and other property and effects subject to taxation, is hereby levied, and shall be assessed and collected the year A. D. 1898, and every year thereafter, and shall be sacredly applied towards the payment of said interest coupons, and any surplus remaining shall go into a sinking fund which is hereby created for the payment of the principal; and said sinking fund shall be devoted to the consolidation bonds of the State of Missouri, but shall not be diverted or applied to any other purpose.

Sec 5. Any sums which may be received by the State from the Pacific Railroad Company, or southwest branch thereof, the North Missouri Railroad and its west branch, the St. Louis and Iron Mountain Railroad, the Platte Country Railroad, the Cairo and Fulton Railroad, or either of them, whether on account of interest or principal of the debt due the State by

roads respectively, or of the tax provided for in the Convention ordinance of April 6, 1865, or any part thereof, or of any other tax which may hereafter be imposed, levied and assessed on any of the said railroads, and the proceeds of the sale of any of these railroads respectively, shall be deposited in the Treasury to the credit of the sinking fund, subject to the payment of interest on and redemption of the consolidation bonds contemplated by this bill, and, when any such payments are authorized to be made in the bonds or other obligations of the State, they may be made in the consolidation bonds issued under this act and in the matured coupons thereof, and be placed to the credit of the sinking fund.

SEC. 6. The foregoing sections, or any part of this act, shall not be so construed as to affect in any manner the relations of these railroads to the State, nor so as to relieve the said railroads of any of their obligations to pay interest and principal for which the State holds a lien on said railroads.

SEC. 7. The privilege of bondholders to have their bonds and coupons exchanged for consolidation bonds, as provided in section 3 of this act, shall expire on the 1st day of January, A. D. 1868.

SEC. 8. The Secretary of State, Treasurer, and State Auditor are hereby authorized to employ such additional clerical force as may be necessary to the performance of the duties required of them by this act. And any other expenses necessarily to be incurred under the provisions of this act shall be paid out of the Treasury, and charged to the State interest fund.

Approved March 6, 1866.

TAXATION ON NATIONAL BANKS—DECISION IN THE U. S. SUPREME COURT.

The following is the decision of the United States Supreme Court made March 26 with regard to the right of States to tax the shares of the National banks. Mr. Justice Nelson delivered the opinion of the court. The title of the cause was *Adm. Van Allen and others, stockholders of the First National Bank of Albany vs. Michael A. Nolan and others, Board of Assessors of the City of Albany*. The opinion was as follows:

This is a writ of error to the Court of Appeals of the State of New York. The case presented to this Court the plaintiff in error are stockholders in the First National Bank in the City of Albany, and the defendants constitute the Board of Assessors of taxes in the same city. The whole of the capital stock of the bank consisted of stocks and bonds issued by the United States under various acts of Congress, and it was insisted before the Board that the shares of the bank held by the plaintiffs as stockholders were not subject to assessment and taxation under State authority, which position was denied by the Board, and the assessment was made and the tax imposed. The case was carried to the Supreme Court of the State and thence to the Court of Appeals, which court affirmed the authority of the Board of Assessors to levy the tax. The case is now before us under the twenty-fifth section of the Judiciary Act.

The decree of the Court of Appeals must be reversed on the ground that the Enabling Act of the State of March 9, 1865, does not conform to the limitations prescribed by the act of Congress passed June 3, 1864, organizing the national banks and providing for their taxation. The defect is this: One of the limitations in the act of Congress is "that the tax so imposed under the laws of any State upon the shares in any of the associations authorized by this act shall not exceed the rate imposed upon the shares in any of the banks authorized under the authority of the State where such association is located." The Enabling Act of the State contains no such limitation. The banks of the State are taxed upon their capital, and although the act provides that the tax on shares of the national banks shall not exceed the par value, yet inasmuch as the capital of the State banks may consist of the bonds of the United States which are exempt from State taxation, it is easy to see that a tax on the capital is not an equivalent for the tax on the shares of the stockholders. This is but an unimportant question, however, as the defect may be readily remedied by the State Legislature. The main and important question involved, and the one which has been argued at great length and with ability, is whether the State possesses the power to authorize the taxation of the shares of these national banks in the hands of the stockholders, whose capital is wholly invested in stocks and bonds of the United States. The court are of opinion that this power is possessed by the State, and that it is due to the several cases that have been so fully and satisfactorily argued before us at this term, as well as to the public interests involved, that the question should be finally disposed of, and we shall proceed therefore to state as briefly as practicable the grounds and reasons that have led to their judgment in the case.

banks, passed February 25, 1865, but Congress reserved the right to amend the act. The present act of amendments of which the sum of the act, it is made of States registered bonds as one third of the capital by him safely kept. This to be deposited with the capital may be invested in action is entitled to receive denominations, registered from market value of the circulating currency issued in millions of dollars; and under the act. These,

notes after being authorized, are authorized to be issued and to circulate as money and to be received at par in all parts of the United States in payment for taxes, duties on imports and all other dues to the United States except for duties on imports, and also for all other dues and demands, owing by the United States, except interest on the public debt and to redemption of the national currency.

The said notes may purchase at the private necessary for carrying on the business of buying by discounting and negotiating promissory notes, drafts, bills of exchange and other duties of debt, and by receiving deposits, buying and selling on exchange, coins and bullion, keeping money on personal security, by obtaining in coin and circulating same, under the provisions of law. The duration of the charter is twenty years. There are also deposited in public money, when designated by the Secretary of the Treasury and authorized as flows agents of the government.

There are very great powers and privileges conferred by the act upon these corporations which are intended upon the use and application of these government bonds, upon the privilege of issuing notes to circulate in the community as money to the amount of three hundred millions of dollars deposited with the Treasury, thereby enabling the members of the corporation and business purposes of the bank. This currency furnishes means and facilities for conducting the operations of the corporations which, if not carefully and intelligently managed, would result in great advantages and profits to all the members of the corporation, the holders of the bank. In the granting of chartered rights and privileges by government, especially if great as to the corporations, certain conditions are usually if not generally imposed upon the grant. Accordingly we find them in this charter. They are: first, a duty of one-half of one per centum each half year on every amount of business in circulation; second, a duty of one-fourth of one per centum half year upon the amount of deposits; third, a duty of one-fourth of one per centum each half year on the average amount of the capital stock, beyond the amount invested in United States bonds and loans; these tax upon the shares of the corporation and its stockholders, and greater than assessed on other monetary capital in the State and in the nation except of stock of State banks.

These are the only burdens assessed to the enjoyment of the great chartered rights and privileges we find in this act of Congress, and no objection is made to either of them by the most chartered State in the Union. Although it has been suggested, yet it can hardly be to have been argued, that the provision in the act of Congress concerning the taxation of shares by the State is unconstitutional. The suggestion is, that it is a tax by the State on the bonds of the government which constitute the capital of the bank which this tax has therefore decided to be illegal. But this suggestion is entirely well founded, because we would admit for the sake of the argument that it is a tax on the bonds or capital of the bank, it is not a tax upon the new issue and new privileges conferred by the charter of the bank. It is not a condition entered to the enjoyment of this new law and new privileges of the bank, and if Congress possessed the power to grant these new privileges, which of the interest cannot be denied, and which the whole argument assumes that we do not but that the power to assess the conditions is equally clear and indubitable. The question is altogether a different one from that decided in the previous cases, and entirely different considerations. The whole question under this act of Congress involves as to the public credit of the government. The tax is the condition for the new rights and privileges conferred upon the corporations.

But in addition to this new tax on shares to act a tax on the capital of the bank, corporation is the right owner of all the property of the bank, real and personal, and all the powers conferred on it by the charter and for the purposes for which it was created, as with the property as absolutely as a private individual can deal with his own. This is the law, and it will be found in every bank that may be created on the subject of corporate taxation, no consideration will be found in the case of the *Quincy v. A. & M. Co.* and *the London & Lancashire*. The question related to the registry of a ship owned by a corporation, Lord Denham observed.

It appears to me that the British corporation is as much the owner of the ship. The individual in whom the corporation can no doubt, interest and interest to the property of the corporation, as they may derive individual benefits from the use or income from its business, but in no legal sense are the individuals, even the owners. The interest of the shareholder as such him to participate in the use and interest of the bank is the enjoyment of its capital during the existence of its charter, a proper proportion of his shares and upon his disposition or termination, to his proportionate property, that may remain of the corporation after the payment of its debts. This is a distinct independent interest or property held by the shareholder, and any other property that may belong to him. It is this interest which the act of Congress has left subject to taxation by the State with the limitations prescribed. That act provides as follows:

That nothing in this act shall be construed to prevent all the shares in any of the corporations held by any person or body corporate from being included in the valuation of the personal property of each person or corporation at the assessment of taxes imposed by any State authority at the place where such bank is located and not elsewhere, but not at a rate than is assessed upon other assessed capital in the hands of individuals in that State. Several further. That the tax so imposed under the use of any State upon the shares of any of the corporations authorized by this act shall not exceed the rate imposed upon shares in any of the banks organized under authority of the State where such shares are located.

It is said that Congress possess no power to confer upon a State authority to be exercised which has been exclusively delegated to that body by the Constitution, and consequently it would conflict with a State the sovereign right of taxation, but in a State suggested, to give the grant of any such power from Congress. We agree to this, but as it respects the fact over which the States may exercise a concurrent power, but upon the exercise of Congress to the exercise of its paramount authority may exclude the States, it is not any withdrawal the exercise of that authority, and leave the State free to act. An examination this question, existing between the Federal and State governments, is found in the laws of the States, and the health and quarantine laws. The power of taxation, and

Constitution, as a general rule, can as has been repeatedly recognized in adjudged cases in this court, is a concurrent power. The qualifications of the rule are the exclusion of the States from the taxation of the means and instruments employed in the exercise of the functions of the Federal Government.

The remaining question is, has Congress legislated in respect to these associations so as to leave the shares of the stockholders subject to State taxation? We have already referred to the main provision of the act of Congress on the subject, and it will be seen that it declares that "nothing in this act shall be construed to prevent all the shares in any of the said associations, held by any person or body corporate, from being included in the valuation of the personal property of such person or corporation in the assessment of taxes imposed by or under State authority." And in another section of the act it is declared that:

"The president and cashier of every such association shall cause to be kept at all times a full and correct list of the names and residences of all the shareholders in the association, and the number of shares held by each, in the office where its business is transacted; and such list shall be subject to the inspection of all the shareholders and creditors of the association; and the officers authorized to assess taxes under State authority, during business hours of each day in which business may be legally transacted."

These two provisions, the one providing that nothing in the act shall be construed to prevent the shares from being included in the valuation of personal property in the assessment of taxes imposed by State authority; and the other, providing for the keeping of a list of the names and residences of the shareholders, among other things for the inspection of the State officers, not only recognize in express terms the sovereign right of the State to tax, but prescribe regulations and duties to the associations with a view to disembarass the officers of the State engaged in the exercise of the right. Nothing, it would seem, could be made plainer or more direct and comprehensive on the subject. The language of the several provisions is so explicit and positive as scarcely to call for judicial construction.

Then as to the "shares" and what is intended by the use of the term, the language of the act is equally explicit and decisive. The persons forming an association are required to make a certificate which will specify among other things "the amount of its capital stock, and the number of shares into which the same shall be divided," "the names and places of residences of the shareholders, and the number of shares held by each." The "capital stock" "shall be divided into shares of \$100 each," "and shall be deemed personal property." The "shareholders" of the association "shall be held individually responsible, equally and rateably, and not one for another, for all contracts, debts and engagements of such association, to the extent of the amount of their stock therein at the par value thereof, in addition to the amount invested in such shares." In the election of directors, "and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote on each share of stock held by him." At least fifty per centum of the capital stock of every association shall be paid in before it shall be authorized to commence business, and the remainder in instalments of at least ten per centum per month, till the whole amount shall be paid. "If any shareholder or his assignee shall fail to pay any instalments on the stock," the directors may sell the stock "of such delinquent shareholder," at public auction. "No association shall make any loan or discount on the security of the shares of its own capital."

We have already referred to the lists of names and residences of "shareholders" and the number of "shares" to be kept for the inspection of the State assessors. Now, in view of these several provisions in which the terms "shares" and "shareholders" are mentioned, and the clear and obvious meaning of the term in the connection in which it is here found—namely, the whole of the interest on the shares of the shareholders—when the statute provides that nothing in this act shall be construed to prevent all the shares in said associations from being included in the valuation of the personal property of any person or corporation in the assessment of taxes imposed by State authority, can there be a doubt but that the term "shares," as used in this connection, means the same interest as when used in the other portion of the act? We think not. This is the obvious and ever-necessary meaning to be given to it.

It has been argued that the term used here means only the interest of the shareholder as representing the portion of the capital, if any, not invested in the bonds of the government, and that the State assessors must institute an inquiry into the investment of the capital of the bank and ascertain what portion is invested in these bonds, and make a discrimination in the assessment of the shares; but this is an interpolation, pure and simple, into the act of Congress. If that body had intended any such discrimination, it would have been natural and an easy matter to have said so. Certainly so great and important a change in the use of this term, if so intended, would not have been left to judicial construction.

Upon the whole, after the maturest consideration, we have been able to give to the act, we are satisfied that the States possess the power to tax the whole of the interest of the shareholders in the shares held by them in these associations, within the limit prescribed by the act authorizing their organization; but for the reason stated in the former part of the opinion, the judgment must be reversed and the case remanded to the Court of Appeals of the State of New York, with directions to enter judgment for the plaintiffs in error, with costs.

Chief Justice Chase delivered a dissenting opinion (which was concurred in by Mr. Justice Wayne and Mr. Justice Swayne), as to the power of the States to tax the shares of the national banks.

than one million cwts, whilst there was a falling off in the import from Indian ports of 500,000 cwts. Brazil and Egypt show an increase, and there is also an augmentation in the receipts from Mexico; but the latter are probably American produce. On the other hand, there is a diminution of about 120,000 in the import from the Bahamas, the result of the reopening of the Southern ports. Taking the bulk of the import from the Bahamas, Bermuda, and Mexico to be American cotton, the total import of American produce last year was 1,700,000 cwts., against 780,000 cwts. in 1864, or an increase of nearly 1,000,000 cwts.

The statement of imports is as follows:

IMPORTS OF COTTON INTO THE UNITED KINGDOM.

	1863.	1864.	1865.
From United States.....cwts.	57,000	198,332	1,212,790
Bahamas and Bermuda.....	265,815	376,047	158,607
Mexico.....	172,126	238,037	327,866
Brazil.....	301,814	339,442	404,671
Turkey.....	110,294	162,224	223,133
Egypt.....	825,229	1,120,479	1,578,912
British India.....	3,978,737	4,522,566	3,981,075
China.....	275,503	769,259	320,141
Other Countries.....	181,732	294,559	434,655
Total.....	5,978,423	7,975,935	8,731,940

In the export trade in raw cotton, there was an increase of 520,000 cwts. in 1865 as compared with 1864. The following table shows the quantities taken by the leading countries:

EXPORTS OF COTTON FROM THE UNITED KINGDOM.

	1863.	1864.	1865.
To Russia, Northern Ports....cwts.	152,678	222,446	275,238
Prussia.....	99,585	15,810	60,067
Hanover.....	63,665	50,697	15,111
Hanse Town.....	419,102	512,781	714,600
Holland.....	400,262	414,221	431,172
Other Countries.....	1,017,591	969,817	1,207,355
Total.....	2,154,983	2,184,842	2,704,544

The total import of wheat in 1865 was 31,089,140 cwts. against 23,318,726 cwts. in 1864, and 24,573,506 cwts. in 1863. The decrease, last year, therefore, notwith-

stands from the United States of nearly

As will be seen from the account from the United States has been made from Russia, Prussia and France. Of flour whilst there is a decrease in the im-

The following is the statement:

THE UNITED KINGDOM.

	1863.	1864.	1865.
Cwts.	4,560,352	5,129,495	8,160,241
.....	4,422,002	4,260,304	5,420,508
.....	873,690	730,332	617,056
.....	183,374	273,159	255,251
.....	826,602	670,403	619,771
.....	320,632	500,050	491,510
.....	147,997	591,429	2,266,471
.....	416,222	475,361	575,104
.....	2,325,414	206,969	10,063
.....	8,819,129	7,965,379	1,183,639
.....	2,125,241	1,221,063	307,316
.....	482,725	429,848	1,116,160
.....	24,573,506	23,318,726	31,089,140
.....	12,774,460	6,312,306	7,139,248

companies after the passage of the ordinance of secession, but which had been authorized by the Legislature before that occurrence as follows:

Date of issue.	Companies to which issued.	Amount of issue.
April 20, 1861,	Louisville and Nashville Railroad.....	\$1,000,000
" 23, "	Nashville and Northwestern Railroad.....	1,000,000
June 11, "	Mobile and Ohio Railroad	1,000,000
" 14, "	Carthage and Rome Turnpike	100,000
Not stated.	Mansker's Creek and Springfield Turnpike.....	100,000
"	Carthage, Alexander, and Red Sulphur Turnpike.....	100,000

Total issued by secession authorities..... \$3,300,000

It is not believed by the State authorities that any legal obligation rests upon the State for the payment of interest or principal of these bonds, and the legislature has made no provision for them.

Under the head of "State Debt Proper" are classed all issues for which the State is directly liable, viz.:

Classes of Bonds.	Original debt.	Interest to Oct., 1866.	Total.
Bonds issued for turnpike stock:			
5 per cent bonds	\$1,001,160	\$226,342	\$1,227,502
5½ do	187,167	20,801	207,968
Bonds issued for bank stock:			
5 per cent bonds (B. of Tennessee).....	1,000,000	240,000	1,240,000
5 do do (Union Bank)	125,000	25,000	150,000
Bonds issued for rail road stock:			
5 per cent bonds (E. Tenn & Co. RR).....	650,000	130,000	780,000
5 do do (La Grange & Mis R).....	80,350	16,650	97,000
5½ do do do do	102,000	21,490	123,490
Bonds issued for public purposes:			
5 per cent bonds (Hermitage).....	48,000	11,520	59,520
5 do do (State capital)	658,000	167,920	825,920
Total State debt proper.....	\$3,894,607	\$849,553	\$4,744,160

The following shows the amounts due in each year:

1861.....	\$66,667	1869.....	\$331,500	1874.....	\$185,000	1880.....	\$1,000,000
1862.....	61,250	1870.....	374,750	1875.....	80,000	1881.....	1,000,000
1863.....	177,750	1871.....	441,000	1876.....	82,300	1886.....	and—
1864.....	58,500	1872.....	308,500	1877.....	102,800		
1868.....	1,245,000	1873.....	81,000	1879.....	92,000	1892.....	

The portions stated above as now due are the bonds of 1861-64, amounting to \$864,167.

The class "State Bonds Loaned" includes all those issues which have been loaned on the security of the works for which they have been separately made, and an issue to the Agricultural Bureau. The following are the details:

STATE BONDS LOANED.

Companies to which loaned.	Original debt.	Int to Jan., 1866.	Total.
Bonds loaned to Railroad Companies:			
East Tennessee and Virginia.....	\$1,500,000	\$444,700	\$1,944,700
East Tennessee and Georgia	1,100,000	272,800	1,372,800
Memphis and Charleston	1,081,000	202,500	1,283,500
Memphis and Ohio	1,498,000	403,110	1,901,110
Memphis and Manchester.....	304,000	87,300	391,300
Tennessee and Alabama	863,000	211,581	1,074,581
Mississippi Central and Tennessee.....	574,000	154,980	728,980
Mobile and Ohio	1,206,000	349,000	1,555,000
Edgefield and Kentucky, and Louisville & Nashville	211,000	63,300	274,300
Memphis, Clarksville, and Louisville.....	1,042,000	312,000	1,354,000
Winchester and Alabama.....	433,000	143,250	576,250
Louisville and Nashville	465,000	124,015	589,015
Edgefield and Kentucky.....	645,000	200,162	845,162
Central Southern	584,000	123,160	707,160
Rogeraville and Jefferson	159,000	83,160	242,160
Mississippi and Tennessee.....	96,000	22,800	118,800
Nashville and Chattanooga	154,000	30,000	184,000
Nashville and Northwestern.....	1,455,000	392,400	1,847,400
Cincinnati, Cumberland Gap, and Char'n.....	132,000	31,000	163,000
Knoxville and Kentucky.....	180,000	43,300	223,300
Bonds loaned to turnpike companies	65,000	17,000	82,000
Bonds loaned to Agricultural Bureau.....	30,000	7,300	37,300
Total State bonds loaned.....	\$14,006,000	\$3,769,507	\$17,775,507

The State has also endorsed the bonds of several railroad companies, viz.:

BONDS ENDORSED BY THE STATE.

Railroad companies.	Original bonds.	Int. to Jan., 1866.	Total liabilities.
Nashville and Chattanooga	\$1,546,000	\$371,040	\$1,917,040
East Tennessee and Virginia	185,000	44,400	229,400
East Tennessee and Georgia	126,000	30,240	156,240
Memphis and Little Rock (Arkansas) ..	350,000	145,000	455,000
Total endorsed bonds	\$2,207,000	\$550,680	\$2,757,680

The bonds endorsed for the Memphis and Little Rock Railroad were, in fact, bonds of the City of Memphis loaned to that company and endorsed by the State.

The subject of funding this debt and paying this over due interest was discussed at great length by the Legislature, and finally the following act was passed authorizing the issue of new bonds:

An Act to amend an Act entitled "An Act to establish a System of Internal Improvement in this State," passed the 11th of February, 1852.

SECTION 1. Be it enacted by the General Assembly of the State of Tennessee, that the act aforesaid be so amended that the Governor of this State be authorized and instructed to issue the six per cent coupon bonds of the State, similar in character in every respect to the bonds issued under the act that this is intended to amend, and maturing at the same time, to amount sufficient to pay off all the bonds and interest past due, as well as that to fall due Jan. 1, 1866, or on any bonds that may fall due during the year 1866, issued or indorsed by the State, that were issued or indorsed previous to the so-called act of secession, passed the 6th day of May, 1861.

SEC. 2. Be it enacted, That said bonds shall be dated the 1st day of January, 1866, and be payable on the 1st day of January, 1892.

SEC. 3. Be it enacted, That said bonds shall, in no event, be sold, exchanged, or negotiated, at less than their par value; but they may be exchanged for the interest coupons bonds hereby provided to be paid, estimating each at their par value.

SEC. 4. Be it enacted, That the amount of interest now due, or that may become due by Jan. 1, 1866, by any railroad company to the State on bonds issued to or indorsed for said company, shall be charged up to said company on the same terms and conditions of the original loan under the law this is intended to amend, and the State shall have the liens upon each of said roads, their franchise and property, for the prompt and faithful payment of the principal and interest of the bonds hereby authorized to be issued to pay the interest on the bonds said company should have paid interest on, or it has under the law this is intended to amend, for the bonds issued under said law.

SEC. 5. Be it enacted, That the several railroad companies receiving aid under this act shall pay the interest on said bonds, as it matures, in the same manner and under the same rules, regulations and restrictions as they are now required to pay on the bonds issued or indorsed for them under the act this is intended to amend, commencing the payment of said interest on the 15th day of June, 1866.

SEC. 6. Be it enacted, That the law now requiring all railroad companies in this State to pay into the Treasury 2½ per cent per annum as a sinking fund on the amount of their indebtedness to the State, be, and the same is hereby suspended until Jan. 1, 1867, and said companies are relieved from the payment of the sinking fund now past due under said law.

SEC. 7. Be it enacted, That each and every railroad company in this State, who have or may receive aid under this act, or the act this is intended to amend, or any amendment thereto, shall pay to the Treasurer of the State during the year 1867, four per cent on the amount of indebtedness to the State as a sinking fund on said debt, to be paid on the bonds of the State of a like character to those issued or indorsed for said company, with the coupons on the same not matured, said payments to be made semi-annually on the 1st of April and October, and a like amount every year thereafter until the whole of their indebtedness is discharged.

SEC. 8. Be it enacted, That the Governor of the State shall, through the proper State officers, or by himself, or through such other agent or agents as he may appoint for the purpose, have the bonds hereby provided to be issued, negotiated, and the proceeds of the same applied to the payment of the interest now due, or to fall due Jan. 1, 1866, on all bonds issued or indorsed by the State, as hereinbefore provided, or exchange said bonds with the holders of said coupons, so as to pay off and liquidate said interest.

SEC. 9. Be it further enacted, That the expense of issuing and negotiating said bonds shall be paid out of any money now in the Treasury not otherwise appropriated, and the same be collected from the railroad companies in proportion to the amount issued for the benefit of said companies pro rata.

RAILROAD DEBT OF MISSOURI.

Up to 1849 Missouri had taken no part in the internal improvement movement which had swept over the new States to the east of the Mississippi. In that year the importance of a railroad connection to California, to secure our then new possession, forced itself on the public mind, and St. Louis, by common consent, was designa-

We suspect, however, that a deeper motive may lie within the counsels of the British Provincial authorities. Many circumstances appear to favor the impression that a purpose exists which all these popular movements are made to aid and further. A Confederated North American Empire, we all know, has been a favorite project. Many agencies have been in operation to retard its successful accomplishment. The Reciprocity Treaty affording the facilities of commerce with the United States equal almost to those which would have been enjoyed if the provinces had been a component part of the American Union, prevented the development of any general desire for consolidation. The suspicion has accordingly been entertained, not altogether without reason, that the Canadian agents at Washington a few weeks ago had no earnest desire to negotiate a commercial treaty. Probably the failure was not all the fault of our government. It would have been wiser, we are of opinion, to have conducted negotiations to a successful issue; but, with a large majority against the measure in Congress, and insincerity on the part of the Canadians, it was not so easily to be done. The overthrow of Reciprocity will henceforth furnish a plausible argument for a British Confederation, and the establishment with it of a great commercial entrepot on the St. Lawrence River.

The expense of an imperial viceroyalty would not, however, be very attractive to the farmers of the provinces. Neither Quebec nor Montreal could become a metropolitan town like New York without more population and more commercial facilities. At present the young men of Canada are disposed to emigrate to the United States, leaving the women for subjects of her Majesty. A canal system and railways would be necessary, and require large outlays of capital for their construction. The prospect of speedy returns are not sufficiently promising to attract the favorable consideration of capitalists; and the debt of the Canadian Government is too large and formidable to warrant large outlay for internal improvement. What New England or New York can do is not a criterion for the provinces. The Queen's agents are sagacious enough to perceive this.

The threatened Fenian imbroglio comes to them therefore with a strong gratification. What motives of commercial and pecuniary interest are insufficient to effect the urgent consideration of provision for general safety may be able to accomplish. A general uprising of the Irish population, aided by an army of auxiliaries from the United States, would necessitate a consolidation of power, and prove a strong if not an unanswerable argument in favor of confederation. But whatever hopes or apprehensions existed have not been realized. The anniversary of St. Patrick, which has been indicated as the period for a simultaneous movement, has passed away like all its predecessors. No foundation appears to have been laid for the received opinion that an attempt against Canada had been contemplated.

This is a fit time to reflect upon the actual probabilities of a Fenian revolution. The summary measures taken by the British Government, and the associates of Stevens are evidence that no blank cartridges will be employed in any effort to suppress revolt. The British Lion, like Leviathan, has a heart hard as the nether millstone. The assizes at Carlisle, in 1865, and the recent barbarities of Governor Eyre are proof that its nature has undergone no change. The very semblance of an uprising, or even a conspiracy in Ireland, would be followed by a chastisement so severe

induce the most thorough as well as speedy penitence. Beside the British Government is forewarned, and the discontented Fenians know well what that means.

A candid view of the matter, however, will resolve whatever sympathy may be entertained for the movement for liberation. The good sense of mankind has accepted as a maxim that a government generally beneficial in its operations, though occasionally oppressive in its requirements, should not be opposed or changed without weighty considerations. The dominion of the British Government in Ireland is entitled to this argument. There has been for many years a tendency to mitigate the evils incident to its administration over a people different in race and religion. The right of suffrage is enjoyed in Ireland as freely as in England. The support of the National Church Establishment is no more burdensome on Irish Catholics than it is on English Dissenters; and it is very possible that before many years even this burden will be alleviated. The Union placed the two countries upon terms of equality, and its operations have become steadily more beneficial to each. There is no more security for life and property than was ever before enjoyed in Ireland, and the Government of the United Kingdom are evidently determined that the present state of things shall continue.

The folly of the proposed liberating movement is manifest. There is no grievance to be redressed which is considerable enough to demand an appeal to arms and the overthrow of a government. Persistence in demanding reformatory measures will eventually secure them without recourse to violence. As for the possibility of successful revolution through the agency of the Fenians, the idea is too absurd to be entertained. The "Neptune Circle" which has been commanded by Mr. O'Mahony, will hardly be able to assemble a fleet capable of sailing the Thames to dictate terms of pacification from London to all the British Empire. Even the revolutionary party of England would long hesitate before casting their fortunes with a swaggering madcap adventurer from this country, or such a wretched poltroon as James Stephens.

The value of the bonds of the Fenian Republic will long continue to be hypothetical, having no basis but the faith of the persons so weak as to receive them. They will never be redeemed at the Bank of England or upon the College Green. The money realised upon them will be expended for other purposes than the invasion of England or the liberation of Ireland. We would counsel our adopted citizens to make a wiser investment of their means than in such worthless paper. Every dollar paid for these bonds is lost as irrecoverably as though it had been sunk in mid-ocean. The fate of the men who followed the banners of the Stuarts in 1715 and 1745 should convince them of the impossibility of success. Better by far to direct their industry and enterprise for honorable competence in the land of their sojourning and the home of their children, than to dissipate their modest gains to further utopian adventure or maintain in affluence a horde of unprincipled men.

ARRIVALS OF SHIPPING AT NEW YORK IN 1865.

The annexed statement shows the number of arrivals of merchant vessels at this port from foreign ports, from January 1st to December 31, 1865, including the class of vessel, and their nationality as represented by their flag:

Nations.	FROM FOREIGN PORTS.				
	Steamers.	Ships.	Barques.	Brigs.	Schrs.
U. S. of America.	157	260	333	345	448
Great Britain.	235	114	486	1,114	604
Bremen.	22	53	77	6	..
Italy. ....	..	..	20	31	1
Denmark. ....	..	1	6	24	5
Hamburg.	28	30	14	11	1
Russia.	1	1	6	4	..
Netherlands. ....	..	..	14	8	5
Prussia. ....	..	5	11	3	1
France.	9	4	9	7	3
Norway. ....	..	2	9	8	..
Sweden. ....	..	..	5	12	1
Hanover. ....	..	7	6	8	..
Austria. ....	..	2	2	4	..
Mecklenburg. ....	..	2	5	1	..
Portugal. ....	..	5	8	11	1
Oldenburg. ....	..	..	2	4	..
Spain.	1	2	4	9	..
Belgium. ....	..	1	..	1	..
Argentine Republic. ....	..	1	9	2	..
Brazil. ....	..	..	..	9	..
Venezuela. ....	..	..	..	7	..
New Granada.	1	..	..	2	1
Columbian. ....	..	..	..	1	..
Sicilian. ....	..	..	1	1	..
Total.	454	479	1,024	1,625	1,070

The following table shows the arrivals at this port in 1865, of vessels engaged in the coastwise trade, including transports and prizes:

	COASTWISE.			
	Steamers.	Ships.	Barq's.	Brigs.
January.	96	9	13	13
February.	61	5	9	11
March.	98	9	12	16
April.	119	9	11	19
May.	120	13	18	26
June.	145	16	12	20
July.	169	8	7	11
August.	176	2	6	28
September.	158	6	16	22
October.	160	3	10	29
November.	125	4	16	53
December.	157	3	14	37
Total.	1,604	85	144	399

Whole number as above.
Which added to the foreign.

Makes a total for 1865.
Whole number 1864.

Decrease.

ARRIVALS.

	Foreign. All classes.	Coastwise. All classes.		Foreign. All classes.	Coastwise All cla's.
1865	4,662	7,972	1860	4,424	8,445
1864	4,641	7,981	1859	4,027	7,809
1863	5,082	7,984	1858	3,488	7,248
1862	5,458	7,148	1857	3,902	6,097
1861	5,095	6,977	1856	3,809	6,109

The following table shows the extent of the shipments of bullion and specie to the East, through Alexandria, in each of the last five years, and also the amount of India Council bills drawn during the same periods. The figures show a large diminution in the drain to the East, but at the same time represent a heavy amount. In 1861, the total shipped was £10,144,149, whilst the bills drawn by the Indian Council were to the extent of only £196. The heaviest year is 1864, in which the shipments reached £24,318,189, whilst the bills drawn were to the value of £7,798,974. Closely approximated this is 1863, the total shipments and bills drawn being about £32,320,000. The figures are as follows:

Shipped to	1861.	1862.	1863.	1864.	1865.
SENDER—Gibraltar, Malta & Suez	£2,145	£7,000	£2,828	£3,748	£41,514
ALEXANDRIA	628,541	2,384,570	5,291,100	6,047,250	8,758,114
ADEN—Seychelles, Mauritius and Reunion	115,290	208,128	158,689	244,861	205,450
CEYLON—Australia	43,880	45,950	116,921	79,632	79,526
BOMBAY	5,456,684	8,848,886	10,618,501	10,113,473	5,895,356
MADRAS—Pondicherry	674,077	886,486	503,771	978,197	649,218
CALCUTTA	1,871,308	2,170,895	890,169	3,681,692	1,639,823
SINGAPORE—Penang, Batavia & Saigon	127,073	786,412	796,501	965,780	626,800
CHINA—Hong Kong, Swatow, A-moy, Foo-chow, Shang-hae and Japan	1,222,151	2,830,477	3,076,364	2,199,156	1,034,382
	10,141,149	18,168,303	21,455,844	24,318,189	13,933,183
Per P. & O. Steamers, from Southampton	7,632,984	11,867,667	11,386,707	8,217,123	4,177,055
Per P. & O. Steamers, from Marseilles	2,185,741	5,467,181	5,783,293	7,777,791	4,074,816
Per P. & O. Steamers, from Gibraltar, Malta & Suez	322,424	408,309	443,571	553,270	514,212
Per M. Impres. Steamers, from Marseilles .....	.....	425,146	3,837,273	7,770,005	5,167,100
	10,141,149	18,168,303	21,455,844	24,318,189	43,933,183
—Amount of India Council Bills drawn during— (estimated at 20s. per rupee.)					
On Bombay	1861.	1862.	1863.	1864.	1865.
Madras .....	.....	1,057,000	4,006,278	2,947,500	2,017,300
Calcutta .....	.....	215,850	330,901	846,990	397,100
	185	2,727,500	5,479,200	4,504,484	3,869,335
	185	4,000,350	9,866,379	7,796,974	6,283,735

COMMERCIAL CHRONICLE AND REVIEW.

Publicity a necessity in our financial policy—Funding Bill—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Decline in Gold—Course of Gold for month—Treasure movement—Exchange, &c.

THERE is nothing the country needs at the present moment more than a definite financial policy in regard to the movements of the Treasury. Before the passing of the legal tender act of February, 1861, the doings of the Secretary of the Treasury attracted little notice outside of a very contracted circle; it was even complained that in consequence of the Sub-Treasury arrangements the administration of the Government finances was unnaturally and mischievously separated from the monetary system of the country at large. The state of things is

much changed now. Any irregular movements of the Treasury may cause the utmost commotion and disturbance in the currents of trade, on which the being and the subsistence of millions depend. A greater power, a more absolute control, over the growth, the enterprise and the activity of a free people was never enjoyed by any executive than is now vested in the Treasury. It is of the utmost importance that a definite policy shall be laid down for the management of the national finances, and that the nature of this policy shall be clearly, openly and publicly declared, so that the people may see and understand at every step how their monetary affairs are being conducted.

Publicity is the condition of responsible Government, the bulwark of the people, the safeguard of republican institutions. In all matters of internal administration, and especially in finance, the doings of Government should in time of peace be open as the day. During the war secrecy was necessary in many affairs, and we fell insensibly into the habit of secrecy in other points of Government administration where it was less necessary. Now, with the return of peace, we come back to the normal state of things, in which, as we said, publicity is the indispensable condition. We have no enemy of the Government to oppose, to crush down, to restore to obedience the equal laws. All our people, from the lakes to the gulf, and from the Atlantic to the Pacific, are one homogeneous, indefatigable army of workers. All our citizens are members of the great, rich, growing, mercantile and industrial nation whose territory reaches from sea to sea, and whose finances are of paramount interest to every citizen.

But publicity is especially necessary now, on account of the state of our currency. Every one acquainted with the alphabet of financial science knows that the value of an irredeemable currency is regulated by the law of demand and supply. Let the supply be redundant and the value is depreciated. It is for us to regulate the supply of paper money in a country which is just leaving a solid basis of specie payments, and you confide to our hands the power to perturb prices just as we think proper; because we can keep steady, or we can disorder the value of the dollar at will, making it worth less or more as our price, or our interest, or our errors may prompt. Suppose, in the case we have suggested, it is our pleasure, or our misfortune, to increase unduly the supply of currency, what is the consequence? The paper dollars will lose part of their purchasing power. The currency will be diluted throughout the country. As water poured into a pipe of wine impairs every drop of the liquor, so our flood of issues of currency reach every part of the current of the circulation and diffuse a taint through the whole.

What follows when the currency is diluted: First prices begin to rise. The rise is not seen every where in equal degrees, or at the same time. Goods of the greatest mobility float soonest in a freshet; and under the influence of a flood of redundant paper money the most sensitive objects start first. Wholesale prices are apt to rise before retail prices and in undue proportion to the rise of the currency. The prices of foreign goods rise before domestic goods, because the perturbation of the currency reflects itself in the foreign exchanges. Usually, however, the rise starts up first of all; then stocks and negotiable securities, then commodities, according to their various degrees of mobility; and last of all real estate.

has been our experience during the inflation period, extending over the last four years, it has been the experience of every country that has been cursed with a depreciated redundant paper money.

Another consequence of the depreciation of the currency is an increasing "ease in money." This is the popular way of saying that loanable capital is plentiful, that the owners of that capital are willing to lend it on low interest, and that borrowers, consequently, can get accommodation on easy terms. This state of things is only temporary, but it serves while it lasts to aggravate the evils of speculation. Now let us reverse the picture. After expansion let sudden and severe contraction come. Prices fall; money grows tight, capitalists being timid and unwilling to lend; needy people are in difficulties; those who have been trading beyond their means are left high and dry, like fish that have ventured too far out at flood tide; business is stagnant; commercial and industrial enterprise are paralysed. If the contraction be very sudden and very severe a panic ensues, and the violent rebound of such a financial revulsion is usually disastrous in proportion to the extent of the antecedent inflation.

It is true that contraction of the currency can be made without these evils. We have proved this. For the first time in the history of finance, an inflated currency has been reduced without producing confusion in the money market, or distress among the mercantile interests. The work was accomplished by means of the compound interest notes which will hereafter be looked upon and cited in history as the most ingenious, gentle, skilful, and effective machinery that ever the wit of man contrived for the purpose. These compound notes have now almost ceased to do duty as active currency. As there are 174 millions of them out, the volume of the circulating medium has been reduced to that extent. But so gentle was the process that general prices fell gradually, and almost imperceptibly to the masses of the people, and so equally was the resulting pressure on the money market diffused and distributed, that public confidence was rather benefited than injured, as is evident from the fact that during the very time while it was going on, we negotiated heavier government loans than were ever made in the same period of time by any country in the world. In the twelve months ending 30th June, 1865, the receipts of the Treasury for loans were no less than \$1,475,579,740, which is a greater sum than the entire floating debt which some of our financial men are so fearful that we cannot deal with in the next three years of peace.

From what has been said, it is evident that contraction of the currency may be well done, or it may be clumsily done, and that it cannot be well done except it is done with publicity, so that the whole nation, whose property the currency is, and who have daily to use it for the most important operations of their daily life, may know exactly day by day what is doing with it; and what changes, if any, it is receiving. The power of contracting the currency is of the most tremendous extent. It enables its possessor to touch every man's livelihood, to shrink every income or accumulated store of wealth, and to change the terms of existing contracts.

The Funding Bill, which has passed the House, and is now before the Senate, makes but little change in the conditions under which the Secretary of the Treasury is authorized to sell bonds and fund outstanding obligations, by the

[illegible]

	Week ending March 17					
	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20's, 1882.....	70%	70%	71%	71%	72%	72
Atlantic and Great Western, New York section, 1st mortgage, 1880.....	73	73	73	74	73	73
Erie shares, 100 dollar.....	55%	55%	56%	58%	57%	57
Illinois Central, 100 dollar shares, all paid, 10 p. c.....	78%	78	79%	80%	81	80%
New York Central, 100 dollar shares.....	60	60	60	60	60	60

Notwithstanding the fall in gold, the prices of Governments have risen from one to two per cent. through the month. We give our usual table below :

PRICES OF GOVERNMENT SECURITIES, MARCH, 1866.

Day of month.	6's, 1881.		6's, 5-20 yrs.		5's, 10-40 yrs.		7-30's, 1867.	1 y'r certif.
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.		
Thursday .. 1	104%	.....	103%	.....	90%	.....	99%	98%
Friday 2	104%	104%	103%	.....	90%	.....	99%	98%
Saturday... 3	104%	104%	103	.....	90%	.....	99%	.....
Sunday.... 4	.....	.....	.....	.....	.....	.....	.....	.....
Monday ... 5	104%	104%	103	.....	90%	90%	99%	99
Tuesday... 6	.....	104%	103%	.....	90%	.....	.....	.....
Wednesday 7	.....	104%	.....	103%	90	.....	99%	.....
Thursday .. 8	.....	104%	103%	.....	90%	.....	99%	99
Friday..... 9	104%	104%	103%	.....	90%	.....	99%	.....
Saturday...10	104%	104%	103	103	.....	90%	99%	.....
Sunday....11	.....	.....	.....	.....	.....	.....	.....	.....
Monday....12	.....	104%	103%	.....	90%	.....	.....	99%
Tuesday...13	104%	104%	103%	.....	90%	90%	.....	99%
Wednesday14	104%	.....	103%	.....	91	.....	99%	.....
Thursday..15	.....	104%	103%	.....	90%	.....	100	99%
Friday....16	104%	.....	103%	.....	90%	91	100	.....
Saturday...17	104%	.....	103%	.....	90%	.....	100	.....
Sunday....18	.....	.....	.....	.....	.....	.....	.....	.....
Monday....19	104%	.....	103%	.....	91	.....	99%	.....
Tuesday...20	104%	.....	103%	.....	90%	90%	99%	99%
Wednesday21	.....	104%	.....	.....	90%	.....	100	.....
Thursday..22	104%	104%	103%	103%	90%	.....	100	.....
Friday....23	104%	104%	103%	.....	9%	.....	100	99%
Saturday...24	...	.....	103%	.....	90%	.....	100%	.....
Sunday....25	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 26	.....	.....	103%	.....	91%	.....	100%	.....
Tuesday...27	105	105	104	104	91%	91	100%	.....
Wednesday28	105%	105	104%	.....	91%	.....	100%	.....
Thursday..29	105	.....	104%	.....	92	.....	104%	99%
Friday....30	.....	.....	(Good Friday—Holiday.)			.....	.....	.....
Saturday...31	105%	.....	104%	.....	92%	.....	100%	.....
Highest	105%	105	104%	104	92%	91	100%	99%
Lowest.....	104%	104%	103	103	90	90%	99%	98%

Railroad stocks during the month have been active. The abundance of money and the absence of any general falling off in the receipts of the roads during the month, a result different from what was expected, have lead to higher prices. The last week there was a slight reaction attributable to the passage of the Loan Bill in the House of Representatives. The following are the quotations for the month :

	Mar. 2.	Mar. 9.	Mar. 16.	Mar. 23.	Mar. 29.
New York Central	91½	90½	92½	93	91½
Hudson River.....	108½	108½	106½	108½	107½
Erie.....	86½	82½	83½	81½	78½
Reading	99½	97½	100	102	100½
Mich. So. and N. I.....	70	74	78	82½	84
Illinois Central.....	115½	115½	118	117	.....
Cleveland and Pittsburg.....	77½	76½	78½	80½	79
Chicago and N. W.....	27½	25½	27	27½	.....
Chicago and R. I.	105½	107½	108½	117½	117½
Pittsburg, Fort Wayne and Chicago...	91½	89½	92½	92½	92½

The decline in gold has continued through the month, causing a general stagnation in business. There are, however, indications that it will not go much

lower, and there may be soon a reaction. It is a significant fact that we are continually told in the daily papers that "gold is scarce for delivery," and that the prices seem to indicate that some secret drain has been at work, and that the prices produced by the heavy sales a few weeks ago of Government gold is ceasing to oppress the market with an excessive supply. What amount of coin was sold by the Treasury broker we are not officially informed. It is, however, variously estimated at from fifteen to twenty millions. Another significant fact is that the specie in our banks is steadily declining, as appears from our table in this article showing the movements of specie, although there is no export movement of foreign exchanges being in our favor.

But whether or not, gold will soon tend upwards, the idea that we are making nearer specie payments because of the decline, is amusing.

Gold is going down it is argued, therefore, the paper currency is rising in value and the goal of resumption is in view. Just as well might you, on the 1st day of next July, immerse your thermometer in ice-water, and tell us, because the quicksilver was fallen, the heat was declining too. The cases are not parallel. Gold ceases to be the true measure of depreciated paper when it is not free from foreign interference; just as the thermometer ceases to be a true register of the heat of your room when its bulb is tampered with. It was not because currency rose in value that gold recently fell, but because of the government action, it was made to fall, in consequence of an interruption of its natural equilibrium. It is useless to try to measure the real depreciation of paper by the premium on gold, until the invading force is expelled, the equilibrium restored, and the perturbation ended.

So far from the government sales of gold helping to bring on a return to specie payments they may positively retard it. For what do we mean by a return to specie payments? Do we not mean that every paper dollar which the government has issued shall be able to command a dollar in coin? Now the government has 451 millions of greenbacks and fractional currency. Suppose, on the 1st of July next, we complete our arrangements, and try to resume. What would be the inevitable immediate result? Every greenback presented to the Treasury must command coin. Four hundred and fifty millions of paper currency issued by the government become payable in coin on demand. Gold and silver will begin to pass current from hand to hand. And, just as happened in France after the revolution, the very novelty of the change, with the long habit of regarding coin as worth more than paper, will make coin for some years to be more in demand among us than it ever was before the war. A large portion of the 400 millions of greenbacks, will therefore, inevitably be converted into coin.

How is the prodigious demand for specie to be met, but from coin gathered up beforehand in the Treasury. Is it not evident that before we can resume specie payments things must be done? We must draw in the redundant part of our currency, and we must have in the National Treasury a sum of gold and silver ample to pay all greenbacks on demand. Now what is the direct result of the government sales of gold but to disperse the very store of the precious metal which is an indispensable means of resuming specie payments? Without an ample supply of specie in the Treasury to meet the greenbacks and to pay

on demand any attempt to resume must be abortive, and would bring on such convulsions and disasters as would make the very idea of specie payments a terror for a generation to come.

Some ill-informed persons have supposed that Congress would order the Secretary of the Treasury to sell more of the gold than he has already done. There is no probability that Congress will adopt any course fraught with such danger. Indeed it is urged that if we are to make any real progress towards specie payments the authority which the Secretary now has to sell gold should be considerably curtailed. For, on the 1st inst., the coin in the Treasury amounted only to \$55,736,192, of which nearly 13 millions belonged to the holders of the gold certificates leaving only 43 millions of gold in the Treasury to meet the interest on the debt. How necessary is the keeping of this amount or more to secure the certain prompt payment of interest due to the public creditors whenever a falling off in customs duties may happen hereafter from revulsions or other causes is sufficiently seen from the fact that the gold interest on our debt now reaches the vast sum of 62 millions a year, and when the floating obligations of the Treasury are funded the annual interest to be provided for can scarcely be less than 150 millions. Surely then the Government gold should not be dispersed; it is wanted for two objects: for the sustaining of the national credit by the payment of interest, and for a basis for the future resumption of specie payments.

A superficial observer might suppose that when the Government wants gold for the purpose of resumption they can buy it. But where can gold be bought? Not in Europe? for at present a few successive shipments of gold to this country would produce a panic at the London Stock Exchange. Nor could the Treasury suddenly buy gold at home, for, though the sale of 15 millions only put the price down 10 per cent. Mr. McCulloch could not perhaps get back 5 millions of it without putting up the price to 140 or higher. The only way for piling up gold for future specie payments is to gather it in by degrees. Nor is there any fear that we shall not be able to accomplish this, for our annual gold crop is or will soon be the largest gathered by any nation in the world. In view of the rapid prospective development in the gold producing facilities of this country it cannot be doubted that gold can be hoarded in the Treasury, within a short time, until we have enough to redeem 150 or 200 millions of greenbacks, and thus resume coin payments: but will not gold become scarce while the hoarding is going on? To this we reply as we began, that gold is scarce now. If the heavy Government sales fail after a few days to relieve the scarcity complained of, will the absence of such sales produce it; Gold becomes scarce very rapidly because, from the artificial depression of the price it is selling relatively below its value. The more the depression therefore, the greater the tendency to scarcity. The Treasury could not buy back to-day the 15 millions lately disposed of without paying a much greater price than that for which it was sold. Our gold reserve is easily dispersed but, like spilled wine, it is difficult to gather up again.

Below we give the movement of gold through the month :

COURSE OF GOLD FOR MARCH.

Date.	Open'g	High'at	Lowest	Closing	Date.	Open'g	High'at	Lowest	Closing
Thursday.....	1 186½	186½	186	186	Tuesday.....	20 129½	129½	127½	127½
Friday.....	2 185½	186½	185½	185½	Wednesday.....	21 128½	128½	128½	128½
Saturday.....	3 184½	184½	183½	183½	Thursday.....	22 128½	128½	127½	127½
Sunday.....	4 .....	.....	.....	.....	Friday.....	23 128	128½	128½	128½
Monday.....	5 183½	184	183½	183½	Saturday.....	24 126½	126½	124½	124½
Tuesday.....	6 182½	183½	182½	182½	Sunday.....	25 .....	.....	.....	.....
Wednesday.....	7 183½	183½	183½	183½	Monday.....	26 125½	125½	125½	125½
Thursday.....	8 182½	182½	181½	181½	Tuesday.....	27 126½	126½	126½	126½
Friday.....	9 181½	182½	180½	180½	Wednesday.....	28 127½	128½	127½	127½
Saturday.....	10 180½	181½	180½	181½	Thursday.....	29 128½	128½	127½	127½
Sunday.....	11 .....	.....	.....	.....	Friday.....	30 (Good Friday)	.....	.....	.....
Monday.....	12 181½	182	180½	180½	Saturday.....	31 127½	128½	127½	127½
Tuesday.....	13 129½	130½	129½	131	March, 1866.....	126½	126½	124½	124½
Wednesday.....	14 130½	131½	130½	130½	" 1865.....	301	301	14½	15½
Thursday.....	15 131½	131½	130½	131	" 1864.....	150½	150½	150	150
Friday.....	16 131	131	130½	130½	" 1863.....	171½	171½	130	130
Saturday.....	17 130½	130½	129½	129½	" 1862.....	109½	109½	101½	101½
Sunday.....	18 .....	.....	.....	.....	" 1861.....	100	100	100	100
Monday.....	19 123½	124	123½	123½					

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts from California.	Exports to foreign countries.	Sub-Treasury Customs receipts.	Interest payments.	Gold Certificates issued.	Gold Certificates returned.	In bank at close of week.
Jan. 5.....		\$532,027	\$2,107,841	\$3,597,240	\$2,122,440	\$1,34,888	\$15,775,7
" 12.....	\$685,510	540,568	2,334,094	1,180,789	2,308,180	1,578,194	16,552,2
" 20.....	799,706	685,694	2,754,899	574,163	2,706,409	1,938,641	15,395,3
" 27.....		656,812	2,226,040	279,842	2,598,400	2,137,046	12,106,1
Feb. 3.....	944,878	292,568	3,847,423	115,204	2,081,220	2,221,433	10,967,4
" 10.....	1,449,074	433,409	3,251,734	120,179	1,916,700	2,376,785	10,128,2
" 17.....		445,469	2,983,006	94,828	2,992,900	2,158,009	10,306,2
" 24.....	1,309,049	580,195	2,608,799	119,779	2,698,390	1,935,795	14,213,2
Mar 3.....		75,453	2,226,934	1,183,243	2,125,000	2,664,394	17,191,1
" 10.....	1,469,266	556,234	2,397,836	982,712	2,101,000	1,706,825	16,563,2
" 17.....	1,435,353	236,671	2,464,432	328,593	1,498,400	1,919,463	15,013,2
" 24.....	229,537	170,297	2,509,419	174,911	361,220	1,866,419	13,945,6
" 31.....	782,857	2,600	2,421,345	225,414	1,376,000	1,695,394	11,994,2

Since Jan 1..... \$5,494,605 \$5,239,102 \$25,622,419 \$2,837,096 \$21,979,26 \$25,817,022 \$

The following is an official statement of the total amount of Gold Certificates issued and redeemed up to March 21 :

Denominations.	Issued.	Redeemed.	Out'd
20s.....	\$112,600	\$73,420	\$39,180
100s.....	2,024,800	1,222,000	802,800
1,000s.....	8,425,000	5,871,000	2,554,000
5,000s.....	42,500,000	25,225,000	17,275,000
10,000s.....	260,000	260,000	
Total.....	\$53,421,960	\$42,752,080	\$10,669,880

Our foreign exchanges through the month have ruled very decidedly in our favor. It has been a matter of great surprise to many that this should be the case while we were importing so largely. For instance, the total dry goods entering this port during the first three months of this year has been \$45,475,671 against \$11,388,924 in 1865, \$30,256,893 in 1864, and \$19,501,619 in 1863. Below we give the imports of dry goods at New York for the nine months for a series of years ending march 31st.

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR NINE MONTHS FROM JULY 1ST.

Year.	Value.	Year.	Value.	Year.	Value.
1855-6.....	\$55,184,033	1859-60.....	\$91,850,323	1863-4.....	\$27,131,222
1856-7.....	73,891,439	1860-1.....	76,346,495	1864-5.....	28,625,600
1857-8.....	58,690,556	1861-2.....	28,872,637	1865-6.....	112,790,400
1858-7.....	66,328,969	1862-3.....	61,065,196		

From the foregoing it will be seen how largely our dry goods imports have increased over previous years. The imports of general merchandize at this point have also increased, while the exports from New York have by no means been as large as for some previous years. The secret, however, of the present condition of our foreign exchanges lies in the large amounts of cotton we have exported from Southern ports. The total exports of cotton from the United States since September 1st now reach 915,000 bales, which, at \$200 a bale, gives the United States a credit of \$183,000,000. This much needed staple is also still going forward in undiminished quantities. Below we give the course of Exchange for the month:

COURSE OF EXCHANGE FOR MARCH.						
Days.	London. cents for 54 pence.	Paris. centimes for dollars.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	108½@108½	523½@518½	40½@40½	78½@78½	86 @36½	71½@71½
2.....	108½@108½	525 @520	40½@40½	78 @78½	86 @36½	71½@71½
3.....	108½@108½	525 @520	40½@40½	78 @78½	86 @36½	71½@71½
4.....	.....	.....	.....	.....	.....	.....
5.....	108½@108½	525 @518½	40½@41	78 @78½	86 @36½	71 @71½
6.....	108½@108½	525 @520	40½@40½	78 @78½	86 @36½	71½@71½
7.....	108½@108½	525 @518½	40½@41	78 @78½	86 @36½	71 @71½
8.....	108½@108½	523½@520	40½@40½	78 @78½	86 @36½	71½@71½
9.....	108½@108½	527½@520	40½@40½	78 @78½	85½@36½	71 @71½
10.....	108½@108½	527½@520	40½@40½	78 @78½	85½@36½	71 @71½
11.....	.....	.....	.....	.....	.....	.....
12.....	108½@108½	526½@520	40½@40½	78 @78½	85½@36½	70½@71½
13.....	108½@108½	527½@520	40½@40½	78 @78½	85½@36½	70½@71½
14.....	108½@108½	527½@520	40½@40½	78 @78½	85½@36½	70½@71½
15.....	108½@108½	527½@520	40½@40½	78 @78½	85½@36½	70½@71½
16.....	107½@108½	528½@521½	40½@40½	77½@78½	85½@36½	70½@71½
17.....	107½@108	528½@521½	40½@40½	77½@78½	85½@36½	70½@71½
18.....	.....	.....	.....	.....	.....	.....
19.....	107½@107½	530 @522½	40½@40½	77½@78	85½@36	70½@71
20.....	107½@108½	527½@522½	40½@40½	77½@78	85½@36	70½@70½
21.....	107½@108	527½@522½	40½@40½	77½@78	85½@36	70½@70½
22.....	107½@107½	530 @526½	40½@40½	77½@78	85½@36	70½@71
23.....	107½@107½	530 @527½	40½@40½	77½@78	85½@36	70½@70½
24.....	107 @107½	530 @527½	40½@40½	77 @77½	85½@36½	70½@70½
25.....	.....	.....	.....	.....	.....	.....
26.....	107 @107½	530 @523½	40½@40½	77 @77½	85½@35½	70½@70½
27.....	107 @107½	530 @526½	40 @40½	77 @77½	85½@35½	70½@70½
28.....	107 @107½	530 @526½	40 @40½	77 @77½	85½@35½	70½@70½
29.....	106½@107½	528½@527½	40½@40½	77 @77½	85½@35½	70½@70½
30.....	.....	(Good Friday—no business transacted.)	.....	.....	.....	.....
31.....	106½@108½	530 @527½	40 @40½	77 @77½	85½@35½	70½@70½
Mar.....	106½@108½	530@ 518½	40 @41	77 @78½	85½@36½	70½@71½
Feb.....	107½@108½	532½@517½	40½@41	77 @79	85½@36½	70½@71½
Jan.....	108 @109½	523½@515	40½@41	78 @79½	86 @36½	71 @71½

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Allowing Interest on Deposits—City Deposits of Country Banks—Bank Returns of the Three Cities, &c.

Since the prodigious expansion of credits which our irredeemable paper money has developed in this country, the custom has become too general among our city banks of allowing interest on the deposits of country banks payable on demand. This practice is, on many accounts, of very doubtful expediency; and is disapproved of by some of our most eminent financial men. Among other objections it is urged that by this means small banking corporations in the country are induced to accumulate heavier balances in New York than are required to provide for their current exchanges. And the obvious result is that they are tempted to

weaken, in some cases, their home resources, which are unprofitable; in order that they may get interest on their city deposits. Undoubtedly the sound and safe policy for a country banker is to keep his city balances at no higher a point than is demanded by the claims of legitimate business. These balances form part of the reserve required by law, which is expected to be kept unemployed and at instant call. The idea of making their reserve bear interest seems never to have entered, till recently, into the calculations of our banking institutions who would no more have thought, in former times, of making a profit on the reserve than on the specie in their vaults. Whatever sum in excess of his want is kept in New York by the country banker for the sake of interest, is really a demand loan; and must be subject to such risks as in time of panic or revulsion may be productive of grave anxiety or even worse trouble.

Notwithstanding these and other dangers incident to this objectionable system there is reason to fear that it is rather on the increase; and this fact accounts in part for the accumulation of funds at the commercial centres which has often been cited as one prolific cause of sharp sudden turns in the loan market. When money is easy the city banker who has to pay interest on balances is compelled to keep his deposits constantly employed, and under the pressure of necessity sometimes goes further than prudence would justify. Hence, when the legitimate channels of employment for capital are filled up, he is apt to be induced to make such loans or investments as would not tempt him were he exempt from the heavy charges connected with the payment of interest to his depositors.

The danger of this state of things is increased by the fact that this particular class of interest bearing deposits is peculiarly sensitive to the least fluctuations in the money market. When capital is abundant and difficult to employ to advantage, these balances increase, and the city banker incurs the heaviest charges for interest; but let fear of stringency supervene, or loanable capital become scarce, and these balances are rapidly drawn down just at the very moment when the city banker could employ them to advantage, and when he finds it most convenient to repay them. To such causes are to be attributed some of the severe symptoms which attend and give so spasmodic a character to most of the fluctuations which have occurred in our money market during the past few years.

As we approach specie payments the wiser banking corporations in our country towns will do well to adopt the policy of keeping within narrower limits their city deposits; and of protecting themselves from probable trouble by holding an adequate reserve in their own vaults. It is hoped, indeed, that we shall reform our currency, fund our debt, and return to a specie standard without such revolution as has invariably attended such a process in other countries. But nothing is more certain than that if financial panics and disasters should come, the sufferers among the country banks will be such as by having violated sound rules relative to their reserve have failed to take advantage of the safeguards which experience has shown to be the strongest protection against such disasters.

Not much progress in multiplying National Banks has been made this year as the limit was reached in most of the States during 1865. The circulation has

increased regularly however, until now it amounts to \$264,247,170. Below we give the number, circulation and capital each week since January 1 :

Date.	Banks.	Capital.	Circulation.
January 6.....	1,626	407,509,203	240,094,560
" 13.....	1,626	407,509,203	252,926,620
" 20.....	1,628	407,759,203	245,866,540
" 27.....	1,628	407,759,203	248,734,715
February 3.....	1,628	407,759,203	251,360,050
" 10.....	1,629	407,859,203	253,116,380
" 17.....	1,629	407,858,203	254,902,275
" 24.....	1,629	407,858,203	257,072,910
March 3.....	1,630	407,858,203	258,432,790
" 10.....	1,637	409,408,203	260,556,750
" 17.....	1,643	409,408,203	261,638,920
" 24.....	1,648	409,408,203	262,816,870
" 31.....	1,644	.....	264,247,170

We much regret to hear that Mr. Clarke, the Comptroller of the Currency, is still in favor of the plan advocated in his last report urging the issue of one hundred millions of National Bank notes, in addition to the three hundred millions already authorized. This project we had hoped was dead. If realized it would lead us directly away from the goal of specie payments. It would render nugatory the many efforts and sacrifices which the country has already made with a view to resumption. It would raise up a barrier to our future progress toward a sound currency redeemable in coin on demand. We trust there is virtue enough in Congress to resist and put down all attempts of whatever kind to carry out a policy condemned by every acknowledged principle of conservative expediency and financial statesmanship. Since, as Mr. Clarke tells us, and as was already well known, certain States of the Union have received more national currency than the law prescribes as their equitable share, the remedy is at hand. The currency so issued contrary to the law should be called in again, and the needful amount can then be distributed where it is wanted. Let us avoid the reckless blunder of repairing a smaller evil by committing one of vastly greater magnitude.

The bank statements of the three cities show no very important changes. In New York a large amount of specie is again withdrawn although there is one export movement. Below we give the bank returns of the three cities during the year :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$570,617,523
" 13.....	234,933,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20.....	239,337,736	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,323,679
Feb. 3.....	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	508,569,123
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,436,018	493,431,032
" 17.....	243,068,252	10,308,758	22,983,274	189,777,290	64,802,980	471,886,751
" 24.....	239,778,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3.....	235,839,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,959
" 10.....	233,068,274	16,563,237	23,083,237	180,515,881	64,341,802	594,204,912
" 17.....	233,517,378	15,015,242	23,303,057	185,438,707	68,402,764	579,216,509
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	593,448,864
" 31.....	237,316,099	11,930,392	23,736,534	188,554,592	72,158,099	529,240,040

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,869	\$35,342,306
" 8.....	17,236,320	46,774,150	983,685	7,319,528	36,618,004
" 15.....	17,267,412	47,350,428	1,007,186	7,357,972	36,947,700
" 22.....	17,052,559	47,254,622	1,012,980	7,411,337	36,214,653
" 29.....	16,244,277	47,607,558	1,008,825	7,432,534	35,460,361

Feb. 8.....	16,461,005	47,223,861	1,000,689	7,868,865	24,651,121
" 10.....	16,652,787	47,949,868	995,812	7,819,589	24,447,056
" 17.....	16,777,175	48,961,837	953,807	7,943,002	24,935,821
" 24.....	17,253,809	48,865,579	1,022,408	7,733,070	24,874,866
Mar. 3.....	17,447,635	48,804,752	1,041,392	8,127,049	24,836,828
" 10.....	17,292,584	48,546,878	1,038,694	8,348,100	24,524,256
" 17.....	16,875,608	48,690,788	1,028,068	8,438,184	24,138,648
" 24.....	15,969,814	48,643,150	991,922	8,580,200	23,144,816
" 31.....	15,954,833	48,043,488	990,680	8,668,280	22,997,681

The returns of the Boston Banks have been as follows :

BOSTON BANK RETURNS.

(Capital Jan. 1, 1868, \$41,900,000.)

		Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
						National.	State.
January 1.....		\$91,421,477	\$801,415	\$19,807,800	\$83,451,794	\$21,497,354	\$1,494,717
" 8.....		92,945,129	1,031,827	19,914,065	41,718,122	21,806,180	1,329,717
" 15.....		92,959,364	1,029,105	20,438,014	40,989,870	21,944,686	1,272,919
" 22.....		92,665,111	1,040,114	20,750,898	40,800,679	22,034,642	1,215,818
" 29.....		92,877,783	1,008,013	20,544,830	39,153,816	21,890,816	1,157,818
February 5.....		94,578,858	605,237	20,568,175	40,456,163	22,385,422	1,125,717
" 12.....		94,068,627	632,591	20,412,589	38,768,019	22,348,638	1,057,217
" 19.....		96,250,439	508,428	20,418,909	38,404,696	22,602,531	1,032,817
" 26.....		98,539,040	521,392	20,362,177	36,896,481	22,687,971	1,002,017
March 5.....		92,990,512	556,855	20,081,968	35,581,878	22,606,335	1,006,717
" 12.....		90,705,159	628,938	19,905,120	35,297,492	22,730,229	721,917
" 19.....		91,902,511	606,992	20,470,018	36,696,821	24,018,916	910,717
" 26.....		91,921,225	512,153	20,912,521	35,997,368	23,019,897	901,817

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	Feb. 1.	March 1.	April 1.
5 per cent, due December 31, 1867.....	\$9,415,350	\$9,415,350	\$9,415,350
5 do July 1, 1868.....	8,908,841	8,908,841	8,908,841
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000
5 do January 1, 1871.....	7,022,000	7,022,000	7,022,000
5 do December 31, 1860.....	18,415,000	18,415,000	18,415,000
5 do June 30, 1861.....	50,000,000	50,000,000	50,000,000
5 do June 30, 1861, exc'd for 7.30s.....	189,323,259	189,323,110	189,323,110
5 do May 1, 1867-82 (5.30 years).....	514,780,500	514,780,500	514,780,500
5 do Nov. 1, 1870-85 (5.30 years).....	100,000,000	100,000,000	100,000,000
5 do Nov. 1, 1870-84 (5.30 years).....	50,560,860	51,263,000	55,175,500
5 do March 1, 1874-1904 (10.40s).....	172,769,100	172,769,100	171,212,100
5 do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
5 do June 30, 1861.....	75,000,000	75,000,000	75,000,000

Aggregate of debt bearing coin interest..... \$1,167,149,743 \$1,177,897,222 \$1,130,836,110

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan	10 days' notice.			
5 do do		114,755,940	\$116,577,999	\$121,751,100
5 do do				
5 do Certificates (one year).....		60,637,000	63,254,000	62,332,000
5 do One and two-years' notes.....		8,528,900	8,528,900	8,528,900
5 do Three years' com. int. notes.....		180,012,141	174,022,141	172,012,141
5 do Thirty-year bonds, (Cent'l Pacific R.).....		2,362,000	2,362,000	2,362,000
5 do do (Union Pacific R. E. Div.).....		992,000	1,022,000	1,022,000
7.30 do Three years' treasury notes, 1st series ..		300,000,000	528,944,000	527,014,000
7.30 do do do 2d series.....		300,000,000		
7.30 do do do 3d series.....		280,000,000		

Aggregate of debt bearing lawful money interest..... \$1,185,428,980 \$1,179,475,226 \$1,168,907,110

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes.....	\$222,500	\$167,500	\$222,500
do Texas Indemnity Bonds.....	665,000	618,000	
Other bonds and notes.....	200,839	200,639	
Aggregate of debt on which interest has ceased.....	\$1,088,339	\$886,139	\$886,139

DEBT BEARING NO INTEREST.

United States Notes	\$423,902,223	\$423,435,373	\$422,749,252
Fractional currency.....	26,553,244	27,523,734	28,005,452
Currency.....	\$450,455,467	\$450,959,107	\$451,754,704
Gold certificates of depos't.....	8,891,080	12,627,600	9,665,160
Aggregate of debt bearing no interest.....	\$458,846,547	\$463,586,707	\$461,419,864
Amount in Treasury—			
Coin	\$51,443,162	\$55,736,192	\$62,069,701
Currency.....	56,050,186	60,282,767	60,077,680
Total in Treasury.....	\$107,493,348	\$116,018,959	\$122,147,381

RECAPITULATION.

Debt bearing interest in coin.....	\$1,167,149,742	\$1,177,967,292	\$1,180,236,342
Debt bearing inter'st in lawful money.....	1,197,295,881	1,185,428,986	1,186,207,011
Debt on which interest has ceased.....	1,878,920	965,780	930,680
Debt bearing no interest	458,846,547	463,586,707	460,419,864
Aggregate debts of all kinds.....	\$2,824,891,500	\$2,827,868,759	\$2,827,793,896
Cash in treasury.....	107,493,348	116,018,959	122,147,381

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes.....	\$8,536,900	\$8,536,900	\$8,536,900
United States notes (currency).....	423,902,223	423,435,373	422,749,252
Three years' 6 per cent compound int. notes.....	180,012,141	174,012,141	172,012,141
Aggregate legal tender notes in circulation	\$612,451,264	\$605,984,414	\$603,298,293

DOMESTIC GOLD AND SILVER.

The following statement, compiled from the annual reports of the Director of the United States Mint, shows the source and amount of gold and silver of domestic production deposited at the United States Mint and Branches and Assay offices at New York and San Francisco from the first deposits to June 30, 1865 :

	First dep'ts.	Be'f'e 1848.	Since 1847.	Total.
GOLD.— Virginia.....	1829	\$945,294	\$614,491	\$1,559,785
North Carolina.....	1824	5,523,005	8,609,685	9,137,690
South Carolina.....	1829	733,540	619,429	1,352,969
Georgia.....	1830	5,345,988	1,577,314	6,923,247
Tennessee	1831	62,846	18,561	81,407
Alabama.....	1834	155,107	45,493	200,600
Vermont.....	1862	....	614	614
Gold from Eastern States		\$12,770,725	\$6,485,587	\$19,256,312
California	1848	....	570,051,060	570,051,060
Colorado.....	1859	....	11,405,321	11,405,321
Utah.....	1860	....	78,559	78,559
Montana.....	1865	....	1,767,382	1,767,382
Arizona	1860	....	51,344	51,344
New Mexico	1848	....	66,948	66,948
Oregon	1853	....	7,268,108	7,268,108
Nevada.....	1861	....	73,144	73,144
Dacotah.....	1863	....	7,959	7,959
Idaho	1862	....	7,279,840	7,279,840
Washington.....	1863	....	61,260	61,260
Other sources.....	1849	....	3,166,232	3,166,232
Gold from Western States.....		....	601,277,157	601,277,157
Other sources		3,613	....	....
Parted from silver.....	1862	....	2,754,844	2,754,844
Total of Domestic Gold ..		12,774,838	610,513,976	623,288,813
SILVER.— Nevada	1860	....	2,597,199	2,597,199
Arizona.....	1860	....	25,723	25,723
Sonora.....	1860	....	1,245	1,245
North Carolina.....	1859	....	41,888	41,888
Lake Superior.....	1858	....	141,913	141,913
California	1862	....	8,683	8,683
New Mexico.....	1865	....	26	26
Parted from gold	1841	52,880	4,524,198	4,576,578
Silver from all sources.....		52,880	7,340,874	7,393,254
GOLD AND SILVER—Grand total		12,826,718	17,854,849	630,681,567

The deposits of gold and silver in each year since 1847 have been as follows:

Year ending	Gold.	Silver.
Dec. 31, 1848.....	\$893,005	\$12,581
" 1849.....	7,035,167	42,738
" 1850.....	26,937,145	270,522
" 1851.....	56,533,794	300,288
" 1852.....	51,506,103	404,494
Oct. 31, 1853 (10 mos.).....	55,622,652	417,279
Sept. 30, 1854 (10 mos.).....	57,257,839	328,199
June 30, 1855 (9 mos.).....	49,351,467	333,053
" 1856.....	47,878,441	321,938
" 1857.....	28,279,983	127,356
" 1858.....	40,967,227	316,473
" 1859.....	37,213,557	273,187
" 1860.....	18,971,043	293,798
" 1861.....	34,216,889	610,011
" 1862.....	30,976,523	1,022,364
" 1863.....	30,622,806	1,057,549
" 1864.....	22,048,926	487,439
" 1865.....	26,110,578	621,624
Total since 1847 (17½ years).....	610,513,975	7,340,874
Weight—lbs avoird.....	2,360,180	472,688
" tons avoird of 2,000 lbs.....	1,185	236

—the weight of the dollar being in gold 23.6 grains and in silver 412.5 grains

PENNSYLVANIA RAILROAD DIVIDENDS.

We have prepared the following statement of the dividends paid by the Pennsylvania Railroad for the years 1860-65:

Railroads.	1860.	1861.	1862.	1863.
Beaver Meadow.....	30	10	8	22½
Cleveland, Palmsville and Ashtabula.....	15	15	8½	23
Cumberland Valley.....	7½	7½	8	8
Cleveland and Pittsburgh.....	5	3	4	6
Chestnut Hill.....	..	..	..	34
Delaware, Lackawanna, and Western.....	7	6½	7	8½
Delaware and Hudson Canal and Railroad.....	10	10	10	40
Erie and Northeast.....	..	..	..	..
Elmira and Williamsport.....	..	..	..	..
do do preferred.....	..	..	..	..
East Mahoney.....	9	14½	7	7
Harrisburg and Lancaster.....	..	..	..	..
Huntingdon and Broad Top, preferred.....	..	..	..	..
Hanover Branch.....	6½	6½	5	8
Hazleton.....	2	6	6	5
Ironton.....	..	2½	6	8
Lehigh Luzerne.....	..	..	..	2½
Lehigh and Mahoney.....	4	..	..	..
Little Schuylkill.....	5	8	8	10
Little Saw Mill Run.....	..	6	12	8
Lehigh Valley.....	11½	14	10	10
Lykens Valley.....	19	11	8½	6
Nile Creek and Mine Hill.....	8	8	6	6
Mine Hill and Schuylkill Haven.....	11	11	12	12
Mount Carbon.....	..	..	..	..
Mount Carbon and Port Carbon.....	..	..	..	..
Northern Central.....	..	..	6	9
North Lebanon.....	..	..	..	..
Newcastle and Beaver Valley.....	..	..	..	..
Oil Creek.....	..	..	..	..
Pittsburg, Ft. Wayne, and Chicago.....	..	..	..	..
Philadelphia and Reading.....	7	7	7	7
do do preferred.....	6½	6½	9	10
Philadelphia, Wilmington & Baltimore.....	8	7	5	7½
Philadelphia, Germantown & Norristown.....	8	8	8	10
Philadelphia and Trenton.....	6	6	8	9
Pennsylvania.....	7	7	7	8½
Pennsylvania Coal.....	3½	3½	5½	5
Schuylkill Valley.....	..	..	..	1½
Shamokin Valley and Pottsville.....	6	6	6	6
Southwark.....	6	6	9	7
Tioga.....	..	..	2	2
Wrightsville and York.....	4	4	4	4
West Chester.....	..	..	..	..

FRENCH IRON CLAD NAVY.

In an account of British and French Navies furnished by Mr. Donald McKay, of Boston, to the Herald, he appends the following statement of the French Iron Clads at the present time, said to have been made up from personal inspection of the vessels:

MAGENTA AND SOLFERINO.—Displacement, 6,750 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 280 feet; breadth, 57 feet; wooden hull, $4\frac{1}{2}$ inch armor plating; weight of armor, 900 tons; speed in smooth water—Magenta, 13 $\frac{1}{2}$ knots; Solferino, 14 knots.

COURONNE.—Displacement, 6,000 tons; 900 horse power; mean draught 25 feet; length of load line, 260 feet; breadth 55 feet; iron hull; $4\frac{1}{2}$ and 3 inch armor plating; weight of armor, 700 tons; speed in smooth water, 18 knots.

GLOIRE.—Displacement, 5,650 tons; 900 horse power; mean draught, 25 $\frac{1}{2}$ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13 $\frac{1}{2}$ knots.

INVINCIBLE.—Displacement, 5,525 tons; 900 horse power; mean draught, 25 $\frac{1}{2}$ feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13 $\frac{1}{2}$ knots.

NORMANDIE.—Displacement, 5,650 tons; 900 horse power; mean draught, 26 feet; length of load line, 255 feet; breadth, 56 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 800 tons; speed in smooth water, 13 $\frac{1}{2}$ knots.

FLANDRE, GAULOISE AND GUYENNE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons.

HEROINE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; iron hull; 6 inch armor plating; weight of armor, 1,000 tons.

MAGNANIME, PROVENCE, REVANCHE, SAVOIE, SURVEILLANTE, AND VALEUREUSE.—Displacement, 5,700 tons; 1,000 horse power; mean draught, 25 feet; length of load line, 260 feet; breadth, 56 feet; wooden hull; 6 inch armor plating; weight of armor, 1,000 tons. The Provence has made 14 knots in smooth water.

TAUREAU.—Displacement, 2,450 tons; 900 horse power; mean draught, 16 feet; length of load line, 200 feet; breadth, 47 $\frac{1}{2}$ feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 800 tons.

BELLIQUEUSE.—Displacement, 3,850 tons; 900 horse power; mean draught, 19 $\frac{1}{2}$ feet; length of load line, 230 feet; breadth, 40 feet; wooden hull; 6 inch armor plating; weight of armor, 100 tons.

PAIXHANS AND PALESTRO.—Displacement, 1,540 tons; 150 horse power; mean draught, 8 $\frac{1}{2}$ feet; length of load line, 156 feet; breadth, 40 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

PEIHO.—Displacement, 1,500 tons; 150 horse power; mean draught, 10 $\frac{1}{2}$ feet; length of load line, 150 feet; breadth, 45 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

SAIGON.—Displacement, 1,500 tons; 150 horse power; mean draught, 10 feet; length of load line, 156 feet; breadth, 46 feet; wooden hull; $4\frac{1}{2}$ inch armor plating; weight of armor, 275 tons; speed in smooth water, 7 knots.

EMBUSCADE, IMPREGNABLE, PROTECTRICE, REFUGE.—Displacement, 1,225 tons; 150 horse power; mean draught, 9 $\frac{1}{2}$ feet; length of load line, 130 feet; breadth, 51 feet; iron hull, 5 $\frac{1}{2}$ inch armor plating.

ARROGANTE, IMPLACABLE, OPINIATRE.—Displacement, 1,340 tons; 150 horse power; mean draught, 8 $\frac{1}{2}$ feet; length of load line, 145 feet; breadth, 48 feet; iron hull, 5 $\frac{1}{2}$ inch armor plating. The Implacable has made 7 $\frac{1}{2}$ and the Opiniatre 8 knots per hour in smooth water.

THE NEW ATLANTIC CABLE.

DURING the last six weeks the Atlantic Telegraph Construction and Maintenance Company have begun work in real earnest, upon the new Atlantic cable. Little had been done since the return of the expedition in August last, as there was no reason why the cable should be ready very much sooner than it will be needed. The Great Eastern still lies at her moorings in the Medway, with the remainder of last year's cable on board; and this will again be used during the present year, when that part of the cable which will have then enjoyed a twelvemonth's rest on the bed of the Atlantic will be grappled for. Captain Anderson will once more have charge of the big ship, and he will again have the invaluable assistance of Mr. Halpin, the chief officer. Mr. Canning and Mr. Clifford will be, as in last summer, in charge of the laying of the cable, and Mr. De Saury will be again in charge of the electrical department. Thus, so far as skill goes, there is everything in favor of the success of the coming expedition, which will set sail in the beginning of June, bearing with it the good

wishes of all Europe. As at present arranged the Great Eastern will carry the new cable, will lay it to Newfoundland, will there coal and return to the Atlantic, where she will, with her consorts, grapple for the lost end, the position of which can be ascertained within a quarter of a mile through the observations taken last summer by Captain Anderson and Captain Moriarty. It is intended that the part of the old cable which now lies in the Great Eastern shall be again stowed in her hold on the outward trip. It will be carried by other vessel until it is needed. The grappling will be done in this way. The vessels, including the Great Eastern, will be provided with grappling apparatus. Last year, it may be remembered, the grappling was done with makeshifts and snuffers. In fact, the grappling lines were only buoy ropes, and the swivels broke while the cable was being hauled up were never intended to bear the strain as that to which they were subjected. In the new grappling tackle there will be no swivels; perhaps even no shackles. Each line will be, if possible, one piece, certainly not in more than two joined together by a strong link. There is, therefore, little fear that if the cable is grappled, of which there can be no reasonable doubt in the mind of any one conversant with the subject, it will be brought to the surface. And there is the more probability of success because the cable will be grappled in three places, at intervals of about two miles. One vessel will grapple, and, if necessary, cut her end by means of a special tool set in the grappling iron; the middleship will haul up, and the third vessel will also raise the cable to lessen the strain. There will therefore be three bights of the cable, or two bights and an end, and this end will be prevented from jamming by the formation of the grappling iron in which the cable will be jammed. No one connected with the project appears to entertain the slightest doubt of the success of this section of it. When the end is recovered and a test is sent through to Valentia, as a test of the electrical condition, the splice made with the cable now lying in the Great Eastern, and then all will be sailing, except in case of another accident similar to that of last year, when it would have to be done over again; but this would be the worst damage. If the grappling is successful there is no reason why a second should not be, and a third and a fourth, if it should come to that. The laying of the cable may therefore be considered a certainty, so far as anything about cable can be certain. But hope deferred will probably not make sick the shareholders beyond next July.

The new cable, which is to be laid first, is very different indeed in appearance from that of 1865. That was black, but not at all comely. This is fair in point of color, but rough withal, and fibrey—to coin a word for the occasion. But, save that there is no dark composition soaked into the Manilla hemp which forms the covering of the outer wires, this cable is identical with the last. So far, however, as strength goes, the new rope will bear a strain of from 100 to a ton more than that of last year; and, as is obvious, this additional strength may just make the difference between breaking and holding, if it should unfortunately be necessary to haul back to the ship at any time. The reason it is possible to dispense with the composition for coating is that in the new cable the outer or protecting wires are galvanized. About 160 miles of cable have been already made, and when all the machinery is set to work

soon will be, the manufacture will proceed at the rate of 100 miles per week. By working overtime this immense speed could be nearly doubled; but, of course, overtime will be avoided if possible. In all departments of the machinery the capacity has been much increased since last year. For instance, there are double the number of tanks which hold the core of the cable; and there is one new machine which alone turns out four miles per day of completed cable.

It is unnecessary to enter at any length upon a description of the process of manufacture, as the subject has been so frequently treated; but a short summary may not be useless. The core is received from the gutta percha works on great reels, four coats of gutta percha enveloping the seven copper wires which form the conductor; and these reels are at once placed in tanks until required. An ingenious machine coats the core with Manilla hemp, prepared with a composition; and this rope is coiled away in tanks until required for the next stage. The ends of the galvanized wire for the out covering are united by scarf joints, which are cut in a die, then whipped with a smaller wire and brazed, so that the joint, if well made, becomes actually stronger than the wire. This wire is then covered with five strands of Manilla hemp, of which four tons a day, spun and reeled on the premises, are now used, and this quantity will be shortly increased. The machine which twists these strands round the wire will produce from 160 to 180 miles per day, eight or nine miles being finished by each machine in the ten hours during which the men are at work. The unfinished cable, which we left in tanks, is then put on one of the large machines, and ten strands of this Manilla covered wire are twisted round it, the spiral being one in twelve. As it leaves this machine the cable is finished, and is conducted to the large tanks in which it will be under water until it is paid out to the hulks for conveyance to the Great Eastern.

In a mile of a cable there are, therefore, besides the Manilla which holds the composition, seven miles of copper wire, four miles of gutta percha, ten miles of galvanized wire, and fifty miles of Manilla spun yarn. That is to say, again excluding the loose Manilla which laps the gutta percha, in every mile of cable there are seventy-one miles of material. Obviously in putting such a mass together the greatest care is requisite, and Mr. Clifford and his assistants at the works of the company have plenty to do in looking after the men employed. The operatives who make the joints in the wire, and those who spin the Manilla yarn, and those who attend to the machines that twist the yarn round the wire, use separate premises, and are not admitted into the works in which the core is bound with hemp and wire, and so completed. The men who coil the cable in the great tanks wear soft shoes, supplied to them by the company, and their weight has no appreciable effect upon the structure of the cable, which lies in white flakes that look not unlike ordinary Manilla rope coiled down on a ship's deck. Every working day now for three months the manufacture of the Atlantic cable of 1866 will proceed. Who is there who does not wish it success?

OIL AND COKE FROM COAL AND SLACK.

Mr. J. Nichols, of the Mineral Oil and Chemical Works, Aspull, near Wigan, England, corrects the notice of his invention which appeared in the *Mining*

*Journal of January 27, as follows:—*The invention is improved coke ovens, and a mode of working them, which permits of the gaseous products, now lost in the cooking of coal or slack, being collected and condensed first, as if the material was only distilled to procure oil. The production of the oil is the principal object, but not the only feature. The yield of coke is larger, and of all descriptions of coke, from soft smithy coke to hard blast furnace coke, can be produced at the will of the operator, which is in itself a very considerable advantage over those ovens at present in use. The great value of the invention is, however, the production of the oil; and the fact is apparent, when it is taken into consideration that every ton of material, whether coal or slack, used to produce coke, will yield, at a rough average, at least twenty gallons of coal oil by my invention. Were the cooking ovens of this country constructed and worked on this principal, the production of the oil wells of America would surpass by comparison with the quantity of oil that would be produced here. The cost of the erection of those ovens is but little more than of those at present in use, and their action as efficient and as expeditious. There cannot be a doubt but that if coal oil could be obtained cheaply enough, its use as fuel for steam engines and for the production of illuminating gas would very soon be generally be adopted. The advantages that would accrue from such an application are too numerous to be touched upon here. By my plan I quite expect to be able, in a reasonable period, to reduce the cost of crude oil from £6 6s per ton (the present price of that distilled in this district) to 25s per ton. Of course, some time will elapse before I can induce the alteration of present cooking ovens, but I believe it is only a question of time. As a coal oil distiller, it has for a long time been apparent to me that the present system of obtaining coal oil by distillation in retorts is not the correct one, when the vast quantities of gaseous matter hourly evolved from cooking ovens is allowed to go to waste, as it now does. Several attempts have been made to collect and condense these gases from cooking ovens, but they all have failed, from the fact that they all, more or less, permitted combustion to occur in the ovens, whereas, in my ovens and my process, distillation and combustion are recognised as two different things. The charges in ovens, when undergoing distillation, produce oil. These charges, after distillation, being allowed to ignite, get converted into proper coke, and the heat generated by the combustion of these distilled charges is made the agent for the distillation of the charges in the other ovens.

THE LOAN BILL.

We give below the Loan Bill as it passed the House and Senate. Although very short it confers extraordinary power upon the Secretary of the Treasury.

AN ACT TO AMEND AN ACT ENTITLED "AN ACT TO PROVIDE WAYS AND MEANS TO SUPPORT THE GOVERNMENT," APPROVED MARCH 3, 1863:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled an Act to provide ways and means to support the Government, approved March 3, 1863, shall be extended and construed to authorize the Secretary of the Treasury at his discretion to receive any Treasury notes or other obligations issued under any act of Congress, whether bearing interest or not, in exchange for any description

bonds authorized by the act to which this is an amendment, and also to dispose of any description of bonds authorized by said act, either in the United States or elsewhere, to such an amount, in such manner, and at such rates as he may think advisable for lawful money of the United States, or for any Treasury notes, certificates of indebtedness or certificates of deposit, or other representatives of value which may have been issued under any act of Congress, the proceeds thereof to be used only for retiring Treasury notes or other obligations issued under any act of Congress. But nothing herein contained shall be construed to authorize any increase of the public debt; provided that of United States notes not more than ten millions of dollars may be retired and canceled within six months from the passage of this act, and thereafter not more than four millions of dollars in any one month. And provided further that the act to which this is an amendment, shall continue in force in all its provisions, except as modified by this act.

SEC. 2. *And be it further enacted*, That the Secretary of the Treasury shall report to Congress at the commencement of the next session, the amount of exchanges made or money borrowed under this act, and of whom, and on what terms; and also the amount and character of indebtedness retired under this act and the act to which this is an amendment, with a detailed statement of the expense of making such loans and exchanges.

THE BOOK TRADE.

Principles of Education, drawn from Nature and Revelation, and applied to Female Education in the Upper Classes. By the author of "Amy Herbert." and other tales, etc. Two volumes in one. NEW YORK; D. APPLETON & Co., 1866.

In the preface Miss Sewell declares that the volume is the result, not of theory, but of experience, and the subject is treated in its moral rather than economical aspects. Accordingly, she views education, not as a mere training for a useful life in the world, but with reference to its harmony with the teaching of God in Nature and in Revelation. It is defined to be "the guiding, or leading of the young mind in the way which will best enable it to obey the commandments of God."

The "systematic principle" of education, however good, cannot possibly be good for all. The mode of dealing in every case must be a subject of separate study. The object is the carrying out of God's will for the individual, the purpose of which is hidden from us in His eternal counsels; but the direction in which we are to work is pointed out to us by the peculiar endowments of character and intellect with which every person is gifted.

The author treats in detail of the necessity of teaching obedience, manifesting justice in family government, the exercise of love, the utility and importance of reproof, advice, confidence, respect, truth, etc.; but the chapters on instruction in schools, governesses in families, and the training of governesses, will attract special attention, which is eminently deserved.

Training schools are suggested for national school mistresses, at which young governesses, while studying themselves, might be practically taught how to make children study. Thus they would acquire experience without risk, and be taught how to guard against their own faults. A great element in the life of

one who has to teach others, is the feeling that she can govern judiciously and instruct with interest. We are gratified to be able to remark that in this country at many of our normal schools, somewhat of this is done in training teachers for their work.

Let a foundation of obedience and self-discipline be laid in early childhood; freedom may be given in youth, and so make a child exact and perfect in its actions when instruction begins, and as time goes on the habit of exact representation may be, in a great measure, laid aside, yet not entirely, even as obedience and external restraint may never wholly be given up. The exercise of memory should always be continued in some form.

The chapters on Love and Friendship are admirable for their practical sense. A perusal of this book by those having the care of the young cannot fail to be profitable.

Spenser's Poem, entitled Colin Clout's come home again, explained; with remarks upon the Amoretti Sonnets, &c. By the author of "Remarks on the Sonnets of Shakspeare. NEW YORK: Published by JAMES MILLER.

The theory upon which GEN. HITCHCOCK bases his ingenious exposition of the poetic gift a spiritual rather than an intellectual endowment, and connects the amatory declarations of the person referred to as relating to the intense burning desire to know and possess the Truth. The poetic Arcadia is a spiritual world. Bulwer says as much in "Zanoni" in these words—"The poet calls it the Ideal; the priest calls it Faith." Our author remarks accordingly: "In keeping with the very plain doctrine of the poem of Colin Clout in honor of Queen Cynthia, we must be very unwilling to be convinced, we must see that Spenser's Love was not a woman, except as she was the image of an immortal Beauty which claimed all of his devotion, but which was of such a nature that he knew the world in general would not understand if he spoke openly about it. Hence his purpose of writing in secret that is, in her symbolism, which should be obscure to the world in general, but would be understood by those who belonged to the class called lovers—lovers of the Ideal Beauty figured by so many poets as a lady, though seen also in man."

According to this hypothesis, the *Divina Commedia*, *Gierusalemme Liberata*, and even the *Iliad*, *Odyssey* and *Æneid*, are allegories or parables, having an internal sense, which only those can perceive who "have eyes to see." This theory is plausible, and its application to the poems of Spenser and Shakspeare so far as we can see, is without halting or incongruity. How large a portion of our reading public are willing to give up the classical idea for the religious interpretation, accept their conclusions, will not be difficult to estimate. But every thoughtful person can peruse this work with profit.

The Origin of the Late War; Traced from the Beginning of the Constitution to the Revolt of the Southern States. By GEORGE LUNT. New York: APPLETON & Co., 1866. Pp. 491.

Mr. George Lunt is well known in Boston. He was an old whig leader, and in the "Slaughter-house Convention" of that party at Philadelphia, 1848, led off the delegation of Massachusetts from the support of Daniel Webster.

ster to cast the vote for Zachary Taylor. Subsequent events have thrown him pretty much out of public notice ; still, however, he maintains a position among "conservative" politicians, along with such names as Winthrop, Cushing, Fillmore, Granger, and Thayer. The book has been written at a rather late period for the purposes which the author had in view, but still it gives a very elaborate exposition of the controversy which is well worth consideration.

He has endeavored to trace the anterior course of the long controversy between the North and the South, without regard to party interests or prepossessions. Slavery, he declares, though made an occasion was not in reality the cause of the war. "Self-seeking and ambitious demagogues" succeeding the wise and patriotic citizens of the former period, disturbed the equilibrium of the motion, and accomplished that calamity.

"It is the misfortune of Republican institutions," he remarks, "that many who have paid little attention to matters of state policy, and seem scarcely able to understand it, must pass judgment upon men of superior ability and high attainments who have made such topics the study of their lives. Hence it has happened in this turmoil of politics, that the latter have been too frequently set aside for inferior persons, and their better considered opinions disregarded in favor of those of transient Congressmen, often incapable by nature, and sometimes disqualified for calm judgment by personal habits, and of Governors of States, who ought to have remained among the governed."

Another object of this work of Mr. Lunt has been "to place in its true light the intelligent and patriotic conduct of conservative men of both great parties, which took a leading part in the affairs of the country, until incidental causes deprived them of their due influence." This motive he declares was not merely to render justice to the South, but to see to the safety of the body politic. Much prominence has been allowed to the State of Massachusetts as presenting the most striking example among the several States, and being the most conspicuous of them all in pressing the claims of State rights from the earliest period. "No State has been at times more exclusive and sectional."

Politically Mr. Lunt declares his confidence in the Whig party, as transcending by far, in principles and policy, their democratic adversaries. Their position was that they could not interfere with slavery in the States ; that it was imprudent to take action in relation to slavery in the District of Columbia ; but that they had a perfect right to oppose the introduction of slavery into any territory of the United States already free. They were united while the democrats were divided, and, hence, were hated by the liberty party most cordially. If they had stood firmly to their original principles they might, Mr. Lunt thinks, have gained their ascendancy, and saved the country from the incomparable ills with which it has been, and is likely long to be afflicted. But they became entangled in the meshes of sectionalism, and left their honorable chiefs, while the democrats showed themselves in the main, the defenders of the Constitution.

After going at great length through the details of the controversey, Mr. Lunt finally brings his labor to the following conclusions, which deserve careful attention from statesmen :

The superior power of the United States has been completely vindicated, and the South has abandoned all further purpose of resistance. The speediest pos-

sible restoration of the Southern States to equal rights under the Constitution is for the highest interest of the whole country, if the Union is to be and to remain a republic of equal rights in conformity with its own organic law. The present irregular, unequal and disorganised system of government, for the common safety, ought not to be permitted to continue for a moment longer than the most unavoidable necessity requires. The reason why restoration is delayed is attributed to ambition of a particular party for power. When the people rise above this and place the country upon the free and solid foundation of the Constitution and the Union, then only can the Republic be "Peace."

The History of Henry the Fifth; King of England, Lord of Ireland, and Heir of France. By George Makepeace Towle, author of "Glimpses of History." New York: D. APPLETON & COMPANY, 1866.

The name of Henry the Victorious has been made a household word by Shakespeare, wherever the English language is spoken. To be sure romance has often overstepped the domain of historical verity in the matter, but common readers are not particular in this respect. The House of Lancaster, to which Henry V. belonged, though it usurped the English throne, had finally succeeded in maintaining supremacy, and so historians were prone to exaggerate the virtues of the successful family, and to impute hideous vices and deformities to those defeated. The beneficent rule of the Fourth Edward and his brother Richard, who laid the foundation of the commercial greatness of England, has been overlooked, while the intolerant persecutors of the disciples of John Wickliffe have been extolled for chivalric qualities.

The biographer of Henry draws his narrative from the old chroniclers. The introduction is a brief but interesting *resume* of English history from the Crusades to the death of Richard II., the last prince of the direct hereditary line of the Plantagenets. The history of the growth of that sublime *mythos*, the English Constitution, is admirably detailed.

It was in the reign of Richard that Wickliffe translated the Bible, and promulgated the doctrines which half the English people embraced, and were afterwards asserted by the iron-hearted Puritans of England. John of Gaunt, Duke of Lancaster, defended Wickliffe, while the House of Commons was largely constituted of his disciples. It is not hard to perceive why the descendants of John, having usurped the English crown, should be extraordinarily zealous to purge their skirts of the suspicion of heresy, by cruel persecutions of the very religionists whom their great progenitor favored and protected.

Mr. Towle devotes his first chapter to John of Gaunt, whom he denominates "Quixote in the right place with a royal coronet upon his head." He had the power, and will, and the opportunity to be a hero. The first part of his life was consecrated to war, the latter part to wisdom. He would, in any age, have been a reformer. After a futile effort to secure for himself the crown of Castile, he devoted himself to strengthen the hoards of his royal nephew Richard II. His name here "stands with that of Wickliffe as a pioneer of Christian faith, as a champion of free conscience, as a benefactor to all the future."

The second chapter contains the history of his son, afterward Henry IV. It is full of incident, and gives much secret history of the causes of the revol

of Bolingbroke. The advice of his uncle: "the straightest road is always the best and surest," is worth pondering. It led him to the conquest of the English throne. A Parliament was elected which required Richard to abdicate, and made Henry king. It was a novelty in the age of feudalism and primogeniture; the people had a ruler of their own choice. It is not remarkable that in his reign, which was an able and wise one, the House of Commons secured the right of freedom of debate, the right to vote money, the right to legislate, and the right to appropriate funds.

Henry V. was at once the King of France and England, and bequeathed both kingdoms to his infant son. His constitution was scrofulous, and great pains were taken in his boyhood to strengthen it by field-sports, from which arose the merry fictions of his early levity. He was almost feminine in his appearance, silent and thoughtful, and expressed his ideas with clearness and brevity. During the last years of the life of his father, prematurely old with the cares of governing, he exercised much of the regal authority. A little while there had been an ill understanding between the two, but it was reconciled. The fate of the Second Edward and the Second Richard had warned him against their errors. He was always popular. Paying the last rites to his deceased father, he also rendered the same honors to the murdered Richard II. He next lighted the fires of religious persecution, one of the most conspicuous examples of his zeal being the heyday companion of his earlier manhood, Sir John Oldcastle, whom Shakspeare afterward transferred into the obese Falstaff. He was hanged by a chain round his waist, and burned to ashes by fire kindled beneath. Henry also devoted himself to restraining the influence of the papal court in English politics.

He next began the conquest of France. The history of that campaign is familiar to all the students of history. In this volume it reads like romance. Though his army was devastated by pestilence, from Harfleur to Agincourt it won victories. Only four thousand men survived to accompany their monarch to England. A subsequent campaign was terminated by his marriage, a love affair, to Katharine, the daughter of Charles VI. The diplomacy, the secrecy, and the way in which this was consummated surpass the delineations of a novel. On the morning after the nuptials he resumed the corselet, for France had been half reconquered. This was the queen whose subsequent marriage with Owain Tudor was the foundation of a new royal family. At her instance James I., of Scotland, was delivered from captivity, and married to Johanna Beaufort, the niece of the English king.

Again, the exigencies of war summoned the chivalric Henry to France, and he left England for the last time, charging his queen not to give birth to her child in Windsor Castle. An astrologer had told him that the prince born there would lose the heritage of the House of Lancaster. Katharine disobeyed him; and the hopeless Henry VI. first saw light in that fatal place. She then joined her husband, now suffering from wasted disease. In August, 1422, he died at Vincennes, in the flower of his years. No king had been more popular, or fastened absolutism more firmly upon the people.

This work of Mr. Towle will be a favorite among students of history. It may accidentally glaze over the despotic acts of the sovereigns of whom it treats; but the general effect for variety and the attractive style will be to almost every reader abundant compensation.

Letters of Life. By Mrs. L. H. Sigourney. New York: D. Appleton & Co. 1866.

Mrs. Sigourney is a familiar name in American households, and her productions have but recently ceased to fill the "Poet's Corner" in newspapers. It must, however, be acknowledged, from a hasty examination of these "Letters of Life," that her gift as a correspondent fully equalled her poetic inspiration. In this volume we have almost her biography, sketched out by herself, about it nothing dry or tedious. She possessed great power of writing spontaneously upon passing subjects at call; and as is usual when a woman somewhat from the accustomed circle, she was often beset for an immense number of literary contributions, such as poems for albums, letters giving information of the best boarding schools, marriage odes, reading manuscripts, whether they should be published, obtaining teachers, writing epitaphs and obituaries, for an author to make his reputation by, preparing a list of female poets, translating manuscript, drafting a constitution for a literary society, acting as a nurse to a baby show, correcting poetry, versifying a love story, etc. "If there were a kitchen in Parnassus," she declares, "my muse has surely officiated there." Her literary career had its origin in impulse, but finally became a form of subsistence. Yet she received pecuniary advantage from it in New England. Her benefactors were principally from New York and Pennsylvania. Letters of appreciation, however, came from others, as from the King of Prussia, the Empress of Russia, and the late Emperor of France.

We have glanced over the collection with interest. Each chapter is both interesting and attractive from the first—"Home and its Inhabitants"—till the last, "Fare-Bye." Her description of her Garden equals that of Gail Hamilton, but with a better moral. In short, she verified her own testimony:

"I never wrote for fame—
The payment seemed not to be with the toll;
But wheresoever the kind affections sought
To mix themselves by music with the mind,
That was my inspiration and delight."

NOTE TO ARTICLE "HOW TO RESUME SPECIE PAYMENTS."

Since this article was sent to the press, my attention has been directed to a volume entitled "A Critical Examination of Our Financial Policy," by Simon D. Comb, in which some of the questions that I have adverted to are very clearly and forcibly presented.

Professor John E. Cairnes in a paper read before the Dublin Statistical Society, "On the Best Means of Raising the Supplies for a War Expenditure," has also treated that subject with his usual ability.

R. G. HAZARD

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

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MAY, 1866.  
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END OF THE INSURRECTION—SOME OF ITS TENDENCIES.

THE official announcement that the process of national pacification is now completed, the condition of insurrection ended, and the late insurgent section restored to the exercise of its normal state functions, is cause for congratulation. An insurrection, and especially an unsuccessful one, is always fraught with danger to the liberties of the people; nor is the case otherwise when the outbreak happens under the government of a Republic. Extraordinary emergencies call forth large assumptions of authority; extra constitutional powers are necessarily exercised; civil law is superseded by military authority; the rights of the citizen are summarily dealt with, and every interest is held subordinate to the creation of an overwhelming military power. In short, whenever a country engages in a war, and especially in civil war, it necessarily, to a large extent, surrenders itself to a condition in which law and liberty are subordinated to force.

Thus it has been in our own case. The Administration and Congress have been driven to the adoption of measures inconsistent *in toto* with the spirit of republican institutions, and justifiable upon no other ground than that they were designed to save from destruction a grand embodiment of those institutions. Many of the jealous conservators of liberty have been alarmed at the sweeping assumption of power and in their zeal for freedom have at times appeared to be opposed to some of the measures of the Administration. If, however, they have shown less earnestness than we desired in behalf of what were deemed necessary acts, we should not forget that they have at least done good service in checking the liability to tamper with the public liberties, and have demonstrated to the world that amid the demoralizing influences of an internecine struggle we can trust to a portion of the people to keep vigilant watch upon the bulwarks of constitutional freedom.

The President's proclamation, announcing the end of the insurrection consummates the refutation of the predictions of foreign critics who regarding the war as putting "democracy on its trial," exultingly foretold an ignominious failure of our form of Government to sustain itself against internal outbreaks. The Union which, according to these judges, was irreparably shattered, is still "one and inseparable." That very element of *vox populi* which it was confidently affirmed would prove the source of weakness and failure, has turned out to be the rock of our strength. The proclamation proves not only that no patriotism is truer than that of a free people, no military power stronger than that of citizen soldiers, no exchequer richer than that of a people voluntarily defending their own interests, but also that a conquered faction within a republic can loyally submit when subdued, and the Government knows how to receive their submission. If the outbreak of hostilities demonstrated that popular governments, in common with more absolute forms of rule, are liable to civil disruptions, yet results have proved that under a republic such outbreaks can be vigorously repressed and the disaffection rapidly healed.

The work of restoration having been completed, the next great business of the country is to eradicate any arbitrary tendencies in legislation which may have grown out of war measures. History abundantly sustains the assertion that the most oppressive of laws have been adopted either during a state of war or immediately subsequent. Nor can our legislation, since 1861, be quoted as an exception to this rule. Military necessity has produced a partial disregard for individual liberty; to meet promptly a pressing emergency we have copied the measures of European governments; the expedients have been found to work well, and what has proved successful during a period of national peril we are now apt to regard as good in itself and worthy of conservation. We should remember, however, that the temper and measures suited to a time of war are most dangerous and inimical in times of peace. Probably the country will suffer for years to come from measures enacted, during the last four years, not always necessary for war purposes, but which have received an infection of arbitrariness from legislation of a more specially warlike purpose. Congress having been of necessity driven to disregard individual rights in abeyance for temporary military objects, has readily acquired a habit of treating the freedom of the citizen lightly in other matters; and this vicious tendency appears to us to taint some of the recent and current legislation.

Nothing could be more unwise than this. Is it reasonable that, since the people have so triumphantly vindicated their ability to take care of themselves under the severest and most critical of national emergencies, that Congress should enact a series of laws taking from them individual and local control, placing them under government tutelage and binding their action by uniform central regulations? In a country with such infinite diversity of interests, few of which are fully developed and all of which are constantly changing in their requirements and modes of operation, is it to be supposed that federal laws, attempting to minutely regulate them, can operate otherwise than as an embargo upon their business? Legislators mistake their mission when they undertake to define in a set of laws the whole duty of man. The constitution of the United States approximates more closely to the *laissez-faire* principle

government than to any other model; but the tendency of the times is to enact laws based upon the doctrine that the government should intervene for the regulation of the whole action of the citizen. It is high time this dangerous policy were checked. We say dangerous, for public harmony and the paramount interests of commerce are alike threatened by this tendency. The laws which may be harmless to one section may seriously embarrass the commerce of others, and if persistently kept on the statute book, how could they result otherwise than in grave sectional animosities? Until the war, the federal authority was confined within such narrow and harmless limits that, although really protected by an invincible government, we were scarcely conscious of its control. If the policy necessary during the war is to be perpetuated, we must henceforth be trammelled by federal regulations in every action, and hindered at every step by a government official.

Upon these considerations, we sincerely believe that our representatives will perceive that, the insurrection being declared ended, the time has come when Congress should assume no control which cannot be better exercised by it than by the States, the local organizations or the individual. We have cited no particular legislation as objectionable; for when we hear on every side that the central government should enact general insurance laws; inaugurate educational bureaus; perpetuate government interference with currency; increase the patronage of the President and the departments; and in our zeal to serve the freedman, endanger the rights of all our citizens; special instances appear to us unnecessary. Slavery, thanks to a kind Providence, is at an end in this country; we trust that the contest which has resulted in so great good, will not be the instrument for depriving us of our inherited freedom.

THE BALANCE OF TRADE AND PROTECTION.

BY RICHARD SULLEY.

In the February number of the Magazine there is an article headed the "Balance of Trade," by Charles H. Carroll; the conclusions of which are, in the main, no doubt correct, but there is one point which seems not to be in general accordance with the facts. We must, however, before noticing that part of the subject, address ourselves to the main question at issue. If the advocates of the balance of trade, and the other kindred part of the subject (protection), had not systematically closed their eyes to truth, there would have been no occasion at the present day to attempt the refutation of so absurd a theory.

A very little reflection would have served to convince them, if they could not have learned it from any other source, that no man pursues a trade or calling, for any period of time, that is unprofitable to him; for if he was ever so careless or disinterested in the matter, it is quite impossible that he should do so, as *nature* has made it imperative that he should eat, and have wherewithal to be clothed. And what is true of an individual, must be true of the mass. A nation cannot go on continually, year after year, exporting *more* in value than it imports, any more than an individual can continue to work at a calling without profit.

Two or three hundred years ago it was the practice to endeavor to pre-

vent the exportation of the precious metal, by severe and heavy penalties, and as a corollary of the system, to encourage their importation by bounties, protective duties, and other absurd regulations. A hundred years later, when the policy of the subject began to be discussed, and its merits doubted, we find a writer, as quoted by Dr. McCulloch, using the following language:

"Although a kingdom may be enriched by gifts received, or by purchases from some other nations, yet these are things uncertain, and of small consequence when they happen. The ordinary means, therefore, to increase our wealth and power, is by foreign trade, wherein we must ever observe this rule—to sell to strangers yearly than we consume of theirs in value. For suppose, when the kingdom is plentifully served with cloth, lead, tin, iron, flesh, and other native commodities, we do yearly export the overplus to foreign countries to the value of £2,000,000; by which means we are enabled beyond the seas to buy and bring in foreign goods for our use and consumption to the value of £2,000,000; by this order duly followed in our trading we may rest assured that the kingdom shall be enriched yearly £2,000,000 which must be brought us as so much treasure; because that part of our stock which is not returned to us in wares, must necessarily be brought home in treasure."

It will be seen that the writer here insists that if the nation exports more in value than it imported, the deficient balance would be so much gain, and, therefore, it must be paid to them in the precious metals. It is clear that he had any overt knowledge that such was the fact, although he was a leading London merchant, but because he did not see how it could be otherwise. These reasonings were certainly much more excusable in those days, when statistical knowledge was not obtainable, even by the most diligent, but there is no excuse for the advocacy of so absurd a doctrine at present.

The French economists devoutly believed that no additional value could be imparted to the products of the soil by the manipulations of the manufacturer or the operations of the merchant, but they never promulgated so ridiculous a theory as a nation becoming rich and prosperous by exporting *less* in value than it exported. Under ordinary circumstances each nation must be more or less benefitted by whatever trade is carried on, and this proposition is so self-evident that it is quite unnecessary to say more upon the subject. It cannot be denied, however, that circumstances may arise, either adventitiously or naturally, that would destroy the profit or advantage of a long established trade; but then, of course, the trade would be discontinued.

But to return to the statistics quoted by Mr. Carroll, and taking them to be correct, the idea strikes us favorably that the foreign trade of the United States is gradually declining, as well as becoming less profitable. The excess of exports over imports is no doubt an excess of *price*, as a gentleman assumes, and this seems to be rendered more certain by the excessive exports of the precious metals. Mr. Carroll, however, does not take this as a proof. Upon this point he and I differ. He says, "cheap money means high prices. Duties on imports operate in the same manner; and the nation afflicted with these disabilities works to disadvantage." And here come the mistake and inconsistency—"except in the case of money cheapened by mining, *which being capital, is cheap only when in natural excess, in exchange for other capital*; and is thus a drain on the national wealth, like everything else produced cheap for foreign commerce—that is to say, in excess of the home demand."

The opinion that money (gold and silver) is capital, and that we get value for it when it is exported in the usual course of trade, is not peculiar to Mr. Carroll, although it has been incidentally combatted several years ago in the pages of the Merchants' Magazine. Nevertheless, all the claim it has to be considered capital, arises from its power of saving labor by facilitating exchanges; but paper money, where it *has* value, is just as good as gold; and the only reason why gold is preferred for exportation is because its value is intrinsic, and therefore universal, while that of paper money is only imputed, and therefore local.

Money no doubt, whether of paper or the precious metals, is capital in the hands of individuals, but a larger or smaller quantity makes no difference in the capital of a nation, and if it be of gold, and is exported from excess, the nation will get nothing in return for it. If it increases in a greater ratio than other commodities it must of necessity depreciate, as no condition of cheapness will induce an adequate consumption. This has been sufficiently shown by M. Chevalier, both from French and English statistics. It must, therefore, be exported in price *without value*; that is to say, without any return being made for it in the imports. Consequently, the nation that produces the precious metals, while at the same time it produces large quantities of other commodities for exportation, the production of the metals will be just so much loss to the community. This is the evil of a *fixed standard* of value. To assume the contrary of this proposition would be to adopt the same error as Dr. Smith, that has created so much mischief. He maintained that by the substitution of a paper, for a gold or silver currency, the value of the gold or silver, could be added to the capital of the nation. Acute as he was, he did not detect the reason why the western nations were so constantly drained of their precious metals by the eastern; he was oblivious of the fact, that the only mode of exporting them was, through their depreciation, to pay balances created in price by their excess. When the world gets rid of the fallacy we are combatting that an increase of gold is an increase of capital a great desideratum will have been achieved and a great load of taxation removed, chiefly from the shoulders of the people of the gold producing countries; though it will be otherwise beneficial. We shall not then allow the banks to tax the people by creating money for their own use and behoof; nor shall we allow the gold digger the advantage of the fixed standard of value, which prevents his commodity from depreciation until *after* it has left his hands. Governments will then be the only issuers of money (of paper), and *that* to a certain limited extent. But to return to our subject.

In looking over a table of exports and imports since 1846, we are struck with the change that has taken place since that period. Up to the year 1850, the era of gold-digging in California the United States were in the habit of importing more of the precious metals than they exported. In the year 1847, imports of gold were 24 millions, though some of it was re-exported the following year; and up to that time the exports and imports generally balanced each other. But since 1850 the exports of specie have gradually increased, until they have reached a point beyond precedent. For the first five years those exports upon the average were annually 34 millions more than the imports. And according to the statistics of the movements of treasure for the last seven years (February

number of the Magazine), the United States have exported nearly millions more specie than they have imported from California and all countries; that is to say, they have exported within that period, the value of the 236 millions received from California and other countries nearly ten millions annually in addition, from the original stock of the United States; amounting in all, to more than 300 millions of dollars, exported within the last seven years. This is the secret of the excess of exports over imports, which has been puff'd by the protection into a favorable balance of trade. And yet there are parties who, they know better than other people, who assume that the United States has grown extremely rich within that period, notwithstanding the *potato* crops have fallen off for the last three seasons.

Mr. Henry C. Cary thinks that the United States are now so prosperous, in comparison with their condition before the year 1860, that he believes the annual loss under the tariff of 1846 to have amounted to something like \$6,000,000,000 of dollars. As long as that tariff existed, it seemed sufficient in Mr. Cary's mind to account for all the prosperity that the country was subject to within that period; and up to the time that it was replaced by that of Mr. Morrill, including, of course, the exports of specie, the bankruptcies of 1857 and 1858 and the burning of corn in the West for fuel. But yet, notwithstanding, the enactment of the Morrill tariff, gold continues to be exported, and corn is still being burned for fuel in the West. And how long it may be before the recurrence of a commercial crisis, we shall not presume to predict.

Mr. Cary seems to presume that the wealth which carried on the war was conjured into existence upon the instant, and was not already accumulated prior to that time. In this we beg leave to differ. He says, "It was a force resulting from an activity of circulation wholly unprecedented in history, that it enabled the government to make the war, and that the force existed in despite, and *not as a consequence* of government policies." He further says, speaking of the Morrill tariff, "to that law as it was by the admirable action of the Treasury, in supplying the machinery of circulation, we stand now indebted for the fact, that within the short space of five years, and at a cost of thousands of millions of dollars erected the wonderful monument of which I have spoken; that we have in those same years produced *more food*, built more railroads and mills, opened more mines, constructed more roads than ever before, and so greatly added to the wealth of the country, that the products of the loyal states would this day exchange for twice the quantity of goods than could five years since have been obtained for all the real personal property, southern chattels excepted, of the whole of the States and territories of which the Union stands composed."

Of course this is a most extraordinary statement, and we think not only within the pale of probability; it nevertheless lets out the secret by which that rapidity of circulation has been produced of which Mr. Cary speaks, in such laudatory terms elsewhere, and by which this imaginary increase of wealth has been so suddenly produced. It turns out, that this rapidity of circulation was nothing more than an abstraction of so much wealth from the producers and capitalists of the country by the issues of paper money from the Treasury, and the creation of the national debt; a mere consumption of capital without an equivalent amount

duction to be given in exchange for it. This must of necessity be so, as the crops could not increase by magic, as they must have done, if that had been the case, while the Government required the aid of 2,000,000 of men. We know, however, that the crops have not increased upon the average in any appreciable ratio since 1860, to say nothing of the loss of the cotton. And as cheap food, and the abundance of other raw materials, are the only foundation of *real* prosperity and profit, we must be excused if we do not exactly adopt Mr. Cary's opinion. And if the word *paper* had been substituted for that of gold in the latter part of the paragraph, no doubt the statement relative to the increased exchangeable value of the property of the States would have been much nearer the mark. In fact, it appears more than probable that this increased amount of wealth, created during the war, consists, for the most part, as Mr. Carroll would say, of price without value. But let us examine this new doctrine a little closer to which Mr. Cary stands sponsor.

Mr. Smith says :

"The growth of wealth, therefore, depends upon *the rapidity of the societary circulation*, not the speed with which products are transported in space, nor the frequency with which they pass from hand to hand, but the continuity of transformation through the immediate succession of actual consumption to production. This involves necessarily the concentration and interfusion of producers and consumers, and the growth of wealth, and the diversification of employments."

Now, Mr. Cary being the expounder he proceeds as follows :

"Such being the theory, we may now compare it with the practise. A bushel of wheat is produced, representing, let us say, a dollars worth of mental and physical force. The consumer being close at hand, the producer re-enters on the instant upon the possession of the whole capital that has been expended. Consumers not presenting themselves, the farmer stores it in his barn, losing so much interest. A neighbor offers to carry it for him, charging interest proportionate to the time that may reasonably be supposed likely to elapse before a consumer shall be found. A trader comes and he now takes upon himself the burthen of carrying it, charging further interest. In this manner it passes from hand to hand, and from city to city, finally finding a consumer in Lyons or Manchester, having on the road paid in mere form of interest, perhaps, half the price at which it has at last been sold."

"What is true of a single bushel is equally so of hundreds of millions of bushels of wheat, rye and Indian corn; of the thousands of millions of pounds of cotton; of the hundreds of thousands of hundred weights of pork and beef, rice and tobacco that are everywhere landing in barns, warehouses, wagons, cars and ships, waiting the arrival of men prepared to give in exchange for them cloth, furniture, ploughs, harrows, and the thousand other commodities needed by the planters and farmers of the land. This is a mass of petrified capital to be carried at the cost of the producers, and it is within the mark to estimate the amount so standing petrified at the present moment, at \$500,000,000, *all of which bears interest.*"

The great mistake of Messrs. Smith and Carey appears to be two-fold. In the first place no such continuity, or rapidity of circulation (consumption rather), upon which they assert that the growth of wealth depends, can by any possibility take place. If the production of wheat, rye, and other raw materials were not limited by the routine of the seasons by space and other physical circumstances; if they could be ground out by machinery, *ad infinitum*, as fast as the physical power of labor or steam could be applied to them there might be some rationality in these novel doctrines; but the powers of man are limited in this direction, and wisely so, or in a few years we would barely have space enough left for standing room. Many may cultivate and improve, but there he must stop; he must await

the succession of seasons. If it were possible that society could practise even a comparative immediate consumption of food, and of raw material, we should find quickly that we had evoked much greater evils than the paying of a little interest on capital, even if that assumption were true.

The world seems to be afflicted every few years with some calamity, plague, such as the cholera, the cattle pest, or a deficiency of crops. What then would be the condition of society, if we could by the increase of the manufacturer's population, or by any means reduce the floating stock of food and raw material to one-half the present relative amount? We should find ourselves shortly much in the same condition as Egypt would have been, in the seven years of famine, without the foresight and wisdom of Joseph.

Mr. Cary says the Southern traveler in New England asks, where are your barns? and finds his answer in the fact, then given him, that everything yielded by the land is consumed on the instant of production. So it is round our cities, the market gardeners finding instant demand for their products. So, too, is it in Belgium and France, and therefore that in those countries that capital abounds, and that the services of money can always be commanded at the lowest rates of interest.

Here, then, we have a repetition of the previous fallacy of *the rapidity of circulation, etc.*, with the additional assumption that money, which is here called capital, would, under those circumstances, be relatively plentiful.

Every political economist, of course, is quite aware that the relations of money are governed by no such circumstances. It will, like all other commodities, if *left free*, gravitate to those points where it is dearest, where it will purchase most of other commodities. No country can have more, and none will have less, than its share in relation to other countries having capital.

The prophecy so pretentiously held forth by the protectionists years ago, that a high protective tariff would prevent the exportation of the precious metals, has proved signally fallacious, as has been sufficiently shown by the statistics of the movements of treasure,* to which we have but alluded. Fluctuations of interest will no doubt take place, caused chiefly by the operations of speculators and stock jobbers, in all countries where a paper currency abounds. There will, however, always be a great difference between the regular rate of interest upon permanent investments and the discount paid by a necessitous speculator. But where interest is permanently high, we may be certain that the rate of profit upon trade and commerce is also high. We now turn to the other part of Mr. Cary's theory, which we have previously intimated as being erroneous.

Mr. Cary assumes that all the food and raw material not actually consumed in the hands of the consumers and the workmen, is merely so much petrified capital. His language includes "the hundreds of millions of bushels of wheat, rye, and Indian corn, the thousands of millions of pounds of cotton, the hundreds of thousands of hundred weights of pork, beef, etc., stored in barns, wagons, warehouses, cars and ships," all to be carried to the point of consumption at the expense of the producer, and the interest on

the necessary investment of capital, until that point is reached, to be paid by the same party.

Now this is certainly turning things upside down. According to our notions, we had always thought that the consumer had to pay all the cost of production, the taxes, and the profits; but it seems this is not so, according to Mr. Cary. One thing, however, is certain, that whatever class, whether producer or consumer, may bear the interest upon the capital invested in the food and raw material after it leaves the hands of the producer, it is an expense that no community can get rid of; it must be paid by some party, no matter who;—the stuff must be stored and carried, some part of it to the end of the year, and even beyond that, if we would not have the recurrence, every now and then, of famine and pestilence, as formerly. These inconveniences are only prevented at present by the immense amounts of food and raw material in the hands of capitalists, over and above what is required for immediate consumption. It would indeed be dangerous to limit the supplies of food and raw material to the absolute demand, or even to approximate thereto by any trade regulations. All such attempts, however, in the United States must prove abortive, simply because the interest of the farmer and landowner will prevent it. The fact is that the producer does not pay either the interest or the carriage of the material, either before or after it leaves his hands. He must be compensated by the consumer for all his outlay of capital and labor; and although his profits may not be equal to those of some merchants or tradesmen, they will still be sufficient to give him the usual rate of profit upon his calling. But if we were to believe Mr. Cary, we should assume that the farmers, as a class, were singularly deficient of the instinct of self interest, as they have not, according to him, applied their capital and labor, all the circumstances considered, to the most advantageous employment. In that case, there can be no help for them, and there ought to be no pity. Let them learn to take care of themselves without being petted and protected.

The idea of protecting every man's interest, and of making all equally independent and comfortable, is just as chimerical as to suppose that all men could be made, by education, equally moral, equally talented and prudent, and equally industrious. In fact, to suppose that the laws of nature can be reversed.

These equalizing schemes have been tried in a thousand different ways and shapes within the last century, and they have in every instance proved abortive. Every European nation has tried *protection* to its heart's content, but there is not one of them that has not re-taxed her tariff and trade regulations in favor of more extended commerce. Even Belgium, one of Mr. Cary's pet examples, has not a single protective duty.

A VISIT TO THE BULLION VAULTS OF THE BANK OF ENGLAND.

The Bank of England is not at all times the greatest depot of this precious metal, is, beyond all question, the most influential accumulator and dispenser of it in the world. The Bank of France often holds, as it holds at present, a larger quantity of gold than the Bank of England, but it is admitted on all hands that the quantity held by the Bank of France is universally regarded as of less significance and importance than the quantity

that may be held by the Bank of England. Of late years the stores in the latter have generally amounted, in round numbers, to from thirteen millions to sixteen millions. The amount, according to the latest report, was about fourteen millions. Such an amount of bullions, says the *Market Review*, we have often thought, must be "a goodly sight to see," and we had a longing desire to see it; and the Governor of the Bank made our editorial mouth water, and our editorial eyes sparkle when he told us that he had once seen, at one view, no less than six millions of pounds sterling in gold bullion and coin. The mere thought of taking in at one view, by a single glance, such an immense amount of treasure, the representative in exchangeable value of such an enormous amount of human labor, skill, productive capacity and energy, produced quite a novel and exciting sensation. It is very rarely indeed, however, that such an exhibition is presented to the gaze of any one, for the circumstances under which the Governor and one or two more were so fortunate on the occasion alluded to were special and peculiar, and it may be long before anything analagous occurs again. The rules adopted by the Bank Directors, even among themselves, for the "safe binding and finding" of the securities and treasures of the Bank are extremely stringent. All the securities are every evening safely locked up in their depositories, and the keys thereof are placed in a bag; the bag is put in a cupboard; to that cupboard there are three locks and keys, one of which keys is kept respectively by the Governor, Deputy-Governor, and another of the Directors of the Bank. Every morning, therefore, before the business of the bank parlor can commence, those three gentlemen must be present, each with his own proper key, to unlock the cupboard and obtain the keys which unlock the safes where all the securities of the bank are deposited. And it is regarded as a point of honor with each Director never to trust the key out of his own custody.

By the courtesy of the Governor of the Bank, Mr. Ellis, the head of the bullion office, was permitted to show us everything we desired to see in that department; and Mr. Ellis, with a courtesy which we are bound to acknowledge and to thank him for, did full justice to the Governor's commendation. Under his personal guidance we went the round of the vaults under keeping and control. The bullion warehouse of the bank, it is well known, are the temporary receptacles of, occasionally, immense quantities of specie and bullion belonging to the merchants and consignees of the city, for whom the bank takes charge of it in consideration of a small percentage; and it is deposited in these vaults until it is sold or disposed of, and is required for delivery or exportation. This is, of course, quite different from the bullion, against which the bank has issued notes from its issue department, as stated in the weekly return. The vaults are placed in brick and stone structures, with a number of strongly made trucks or carriages, on which the bars or bags of gold or silver are placed, for the convenience of being wheeled or moved about. At times, Mr. Ellis told us, these vaults are all filled to overflowing with bullion in bars and bags, belonging to the bank or to merchants and bullion dealers. But at the time of our visit, some weeks ago, they were comparatively empty. In some of the vaults there were here and there trucks with a few bags of gold coin of some foreign country upon them, amounting in value to one or two hundred pounds sterling, but this was a mere trifle!

they usually contain. In one vault, however, there was a truck heavily laden with gold bars, which was pretty and interesting. Each bar was worth upwards of £800, and the sterling value of the whole was half a million sterling. All the bullion, we should mention, whether in bars or coin, is estimated according to its weight and fineness, by our standard, and not according to the number or nominal value of the coins; and all the entries appertaining to them in the books of the office are based upon this principal. In regard to these bars, there was the report of the assayers on each bar, accompanied by the part cut off and assayed, showing the precise quality or fineness and sterling value of each. There is a powerful machine in this vault for cutting off the portion to be assayed, and there is another powerful machine for numbering or stamping the number upon each bar. But the most interesting machines are those for weighing coin and bullion. These are masterpieces of delicate and perfect mechanism, and there are several of them. None of them, perhaps, are what would commonly be called handsome machines, but they are admirably constructed for their purpose; and there is one in an inner vault, which is always kept locked up, and to which recourse is had only in case of any doubt or dispute as to the perfect accuracy of any of the others.

But these vaults, though very interesting, were not all we wanted to see. There is another vault, situate somewhere within the precincts of the bank but we are bound not to say exactly where, and for the very good reason, that we do not exactly know where—in which is deposited the great bulk of the bank's stock of gold. That is *the* bullion vault of the bank of England; but the vault is never opened and never seen except by two of the bank directors, the governor and deputy-governor, the chief cashier, and the porter of the bank parlor. The governor and the deputy-governor and chief cashier have each their separate keys of this great iron and stone chest, and it can only be opened by the common consent of all these officials. Whenever Mr. Ellis's own vaults get choked up, or too full he intimates to the governor his desire to hand some bullion over to them. Then the two governors and the chief cashier go with their keys to open the great iron door, and to receive, examine, and verify what Mr. Ellis hands over, and to place it in the vault. Having done that, they give Mr. Ellis a receipt in discharge, and then the vault is again closed, and the door locked, not to be opened again until more gold is ready to be put in, or gold is required to be taken out for exportation. In the latter case the same parties must personally attend with their respective keys, and—similar formalities must be observed. These, we believe, are the only parties who are ever permitted to attend on these occasions, or who are privileged to see or enter this sacred domain. Mr. Ellis is an old official of the bank, and has occupied his present position for many years, but up to this time *he*—even *he*—has never yet been permitted to enter that vault. Possibly it may be considered that, as he it is who delivers the bullion to that vault, and receives bullion from it, he is the last person who ought to be permitted to enter it; but still the facts show the stringency with which the necessary precautions are observed and consistently enforced. The vault itself, we believe, is absolutely impregnable, and would baffle the attempts even of Mr. Caseley, with all his "lawful" or "unlawful" appliances. In fact, we are assured that nothing less than

the force of powerful artillery could possibly effect an entrance. And,asmuch as the bank is nightly guarded by detachments of the Queen's troops, lodged inside, we suppose there is little need to apprehend danger to the bank's stock of gold from hostile or burglarious attempts.

FOOD AND ITS ADULTERATIONS.

High prices for food lead to the introduction of injurious substitutes and adulteration. At the present time an unusual number of articles of food in daily use are badly adulterated. Common scandal for years assigned to the milk vended from the wagons a reputation by no means creditable to the salesmen. Whiting, flour, water and many other things have been found to constitute the ingredients of the produce which credulous persons have supposed to be elaborated by the mammary glands of the cow. Cream is a mythical affair altogether.

Butter has also been found to be extensively adulterated in England. About fifteen years ago the owners of the London *Lancet* employed Dr. Thos. Hill, Hassel, and others, to investigate the matter of the adulteration of food, and published the results of their experiments in a series of papers. The scales and test tubes were employed in the endeavors to determine the quality and ingredients of the various staple articles employed in diet by the inhabitants of the British metropolis. Doctor Hassel's report embodied the results of his labors in a volume, which is declared to be a very cyclopædia of dishonesty. No less than forty-eight samples of butter were examined by these investigators, and their discoveries recorded at full length. They ascertained that about one-fifth of the whole weight consisted of salt and water, the water having been stirred up with the butter rendered half fluid by heating. Potatoe flour was also detected.

The adulteration of coffee is more notorious. Chicory and dandelion are commonly mingled with it; and, indeed, peas, barley, sweet wheats, are substituted in its place. Even the chicory itself is too valuable to escape analogous treatment. Doctor Hassel and his associates examined thirty-four samples of the prepared sort, and found caraway, parsnip, beet, beans, acorns, roasted corn, biscuit-powder, and sugar.

These gentlemen examined forty-two specimens of coffee, finding that one to be adulterated purely with chicory; twelve chicory and roasted corn; one with beans, and one with potatoe flour. A packet of "Java coffee" was found to be composed almost entirely of chicory; the "Java coffee" consisted of half coffee, much roasted corn, and a little chicory; "superb coffee" was principally chicory and roasted corn; "Plantation Ceylon" was almost entirely chicory; "fine Java" was chiefly charged with chicory and potatoe; "delicious drinking coffee" was chicory and roasted corn. The more imposing the name, the greater the counterfeit appears to have been. We remember some months ago to have been presented with a sample of made coffee, the flavor of which greatly resembled that of charred wool, and its effect upon the stomach was anything but agreeable. Indeed, in this country, as well as elsewhere, there are but two certain plans to follow to obtain real coffee.

to witness the grinding of it, or to purchase it whole and grind it at home. Nevertheless, there are honest coffee merchants occasionally.

The same remark applies with equal justice to the trickery played upon tea. The Chinese adulterate it themselves before selling it to the "outside barbarians" by mixing it with ash or palm leaves. The English are largely in the practice of gathering the "grounds" or exhausted leaves, mixing them with a solution of gum and drying them; after which by adding rose-pink and black lead to "face" them, they are made into black tea, and by using copperas, they have green tea. The leaves of the beach, elm, chestnut, plane, oak, willow, poplar, hawthorne, sumach, holly, sloe, are used more or less in the work of adulteration. Black tea, however, does not appear to suffer much in reputation in this manner; but of green teas this cannot be said. Of course, it is not necessary to remark that the difference between genuine green and black teas consists in the peculiar manipulations given them by the Chinese.

Chocolate has also become notorious by reason of its adulterations. Flour appears to be the principal ingredient employed for this purpose; starch, sugar, cocoa-nut oil, lard, tallow, sweet ochre, and chalk, have also been used. The very mode of preparing it affords facilities which the dishonest could not leave alone. The proclivity is unfortunate, for the beverage is cheaper and more wholesome than its rivals.

The corruptions of sugar are less numerous, and are confined principally to confectionery. Gamboge, starch, flour, pipeclay, plaster of Paris, chalk, and even copper, lead, and mercury, are used in the preparation of cheap candies.

Wheat flour is generally sold in this country in a pure condition, owing to its cheapness. But in England, it has been found upon analysis to yield such queer constituents as white corn meal, potatoe flour, plaster of Paris, ground bones, chalk, rye, bean, pea, and rice flour. Bread, however, is badly adulterated. There is some reason for our people to adopt the suggestion of the French tiger Marat, and hang up the bakers at their own doors. The bread which they serve becomes thoroughly unpalatable when but a few hours old, owing to the improper ingredients employed in its preparation. Alum, either pure or mixed with salt, is a familiar article in the manufacture, making inferior flour white, and enabling it to absorb a larger quantity of water.

The remedy for these evils is an important topic for consideration. Legislation has often been proposed, but we cannot quite agree with those who regard it as the panacea of human ills. Indeed, it is hardly possible to establish in any large community, like Boston, New York, or Philadelphia, a system by which unwholesome or adulterated articles would be excluded from the markets. Besides, we are a people jealous of much governing. We prefer to be cheated in the weight or quality of our bread, the quantity of our berries, the constituents of our milk, or even in the ingredients which constitute our coffee or wine, to the alternative of an espionage into our habits and employment. The surveillance which in many European countries exposes every man's most trivial acts to the cognizance of government, would be resented by us as an unpardonable outrage on personal rights. We prefer to take our chances with the petty knaveries of our neighbors, to hourly contact with the informer, the policeman, or the magistrate.

We are of opinion that the best method of protection against the practice of adulterating the different articles of food is to insure its cheapness. Only when prices are high is there liability of tampering with spurious ingredients. By no means should Government lay its imports and excises upon the necessaries of life, exposing its citizens to such frauds, and to the evils of artificial famine. The cheapness of food is also of the utmost importance to the public health. Mr. Farr, the Registrar General of England, reviewing the tables of mortality of London from 1602 till 1800, ascertained that in ninety-eight years when provisions were relatively cheap, the number of deaths were less than in ninety-eight years when the prices were higher; thus demonstrating the existence of the law. Mr. Stow speaks of two bad seasons in succession, 1392 and 1393, when the poorer inhabitants of that city sickened from their endeavors to subsist on apples and nuts for want of better food; showing that cheapness of food is essential to the public health. If the East Indian pestilence scourges our cities during the present year, as has been apprehended, those of the population will suffer worst from it, who have not the means or opportunity to procure wholesome food in ample quantities. The enhancement of prices, whether by the transaction of speculators or by taxation, operates directly to disseminate epidemic sickness, and aggravate its violence. The experience of all countries shows this. It is dangerous to tamper with the prices of food; and of little utility, when such indiscreetness has invited adulteration, to hope to correct the mischief by penalties. Cheap bread is essential to the safety of a people.

VIRGINIA STATE DEBT.

This State had contracted previous to the war a very large debt for internal improvements and banks, yet, up to the date of secession, no State enjoyed a fairer credit either at home or abroad, and its bonds were greatly esteemed as objects of investment. This high credit was well founded—the great wealth and resources of the Commonwealth and the honorable course the State had always preserved towards its creditors, warranting the esteem in which it was held. The greater portion of its debt, however, has always been owned by the people of the State themselves, and not more than five per cent of the whole by capitalists beyond the limits of the Union.

That the State yet enjoys a high credit is equally well ascertained, the quotations at New York are higher than might have been expected after a suspension of interest for four or five years. Its coupon bonds now sell for 67@68 in our market, which is a sure criterion that their payment, principal and interest, is undoubted.

The whole debt, including accrued interest to January, 1866, aggregates more than \$42,000,000, and its liabilities on guarantee, beyond the guarantees already become absolute debt, are several millions more. Gov. Peirpoint, in his message to the Legislature, Dec. 4th, 1865, states the amount then outstanding to have been as follows:

State bonds, 6 per cents, registered.....	\$21,888,398 28
" " 5 " "	108,000 00
Total registered (or home) debt.....	\$21,996,398 28
State bonds, 6 per cents, coupons payable in New York.....	\$11,108,000 00
" " 5 " " " " in London.....	1,865,000 00
Total coupon debt.....	\$12,973,000 00
Aggregate amount.....	\$34,969,398 28
Interest outstanding and unpaid, July 1, 1865.....	5,071,371 29
Add guaranteed bonds, by which the State is liable, and will have to pay...	822,836 00
Interest thereon to July 1, 1865.....	197,726 29
Aggregate up to July 1, 1865.....	\$41,061,311 87

The interest for the half year to the end of 1865 would be \$1,063,902, which, added to the above, would make the total debt for which the State was liable at that date \$42,125,218 87.

The assets of the State held against the above debt, are as follows :

Stocks in the railroads.....	\$18,649,843 34
Seven per cent bonds loaned to railroads.....	3,093,333 83
Add four years interest	866,133 20
Total in railroads.....	\$22,709,319 87

Of the above stocks there is expended in railroads, from which it is not probable that the State will derive any income, for many years at least, and which should be deducted from the estimate of available assets of the State, \$7,359,946 52. The residue of the stocks and bonds, however, may in time be made available to the Commonwealth. The investments of the State in the several banks of the Commonwealth are as follows :

In the name of the Commonwealth.....	\$2,243,100
In the name of the Board of Public Works.....	1,003,850
In the name of the Literary Fund.....	863,070
Total	\$2,710,020

Very little of this amount will ever be available, and with the exception of some \$50,000 in the Fairmount Bank, the whole may be considered as lost to the State. Some of the banks will only be able to pay a small percentum on their circulation.

The other assets of the State are of a miscellaneous character. The State has several millions of dollars in stock in the James River and Kanawha Canal, and holds a large amount in turnpike roads and bridges, but there is no hope that any of these investments can be relied on as present sources of revenue. It is also owner of the tobacco warehouses and the armory grounds in the City of Richmond; and before the war Virginia owned a literary fund of large value. On the 1st April, 1861, this amounted to \$2,344,714 81. For all practical purposes it may be said that there is now no such fund, and it can only be reinstated by a direct tax upon the people.

It is evident from these premises that the late war has divested the State of the most valuable of its accumulated resources. The stocks and bonds it holds as security for its investments in railroads, banks and other economical institutions have become unproductive and in part worthless; and hence, for the present, the whole burden of the State debt falls upon the people. To pay the interest on the debt and contribution to the sinking fund will require at least \$2,500,000 a year, which, in the present condition of the people of the State, is a large sum to collect from them; while, at the same time, they must maintain from taxation all the appointments necessary to keep up the State organization. The annual amount of taxes, previous to the war, was about \$3,250,000, and the whole expenses of the State a million more. Five millions will be required now, without the aid of investments or the tax on negroes. Of the determination of the people to do their best to maintain the financial honor of the State, however there can be no question.

The debt consists of two portions, the old debt or that which existed on the 1st January, 1852, and the new debt or that which has been contracted since that date. The Constitution of 1851, and the act to create a Sinking Fund, provides that an amount equal to seven per cent. shall be annually set apart upon the old debt, which amounted then to \$11,971,838, requiring the sum of \$838,028 68 as the basis. The Constitution also provides that whenever after January 1, 1852, a debt shall be contracted by the Commonwealth there shall be set apart in like manner, annually, for thirty-four years, a sum exceeding by one per cent. the aggregate amount of the annual interest agreed

to be paid thereon at the time of its contraction. The additional one per cent, by successive investment, would retire the debt in the thirty-four years, the time that all the new debt has to run.

On the 1st October, 1860, the old debt had been reduced to.....	\$10,702,965 39
The new debt outstanding amounted to.....	22,538,146 38
Total.....	\$33,241,111 77
Increase since October 1, 1860....	1,746,256 73
Total now outstanding.....	\$34,987,368 50

—not including guarantees or overdue interest.

The consideration of this subject at the recent session of the Legislature has resulted in the passage of a funding law which is now in operation. This law provides that the holders of registered bonds of the commonwealth issued before April 17, 1861, may invest the interest due upon said bonds in registered bonds of the State, bearing the same rate of interest as the principal, and payable in ten or thirty years as the holder may elect. The holders of the coupon bonds of the State, issued prior to the above date may invest the interest due in either coupon or registered bonds, to bear interest at the same rate as the principal. All fractional sums of interest due on the above bonds which cannot be invested as above, are to be provided for in the form of certificates payable in two, three, or four years with interest. The interest on the bonds of the restored government issued since the creation of West Virginia, may be invested up to January, 1867, in State bonds, coupon or registered at option. The Sinking Fund is preserved so that the dates at which the several portions of the debt will become due are not altered. Thus the bonds of 1852 are due in 1886, those of 1858 in 1887, etc., etc.

DEBT AND FINANCES OF KENTUCKY.

The total debt of Kentucky outstanding Oct. 10, 1865, amounted to \$5,254,347, of which \$3,651,402 was held by the public, and \$1,602,945 by the State School Fund. Against this debt the sinking fund is credited with various properties and assets valued at \$7,638,494, and has large annual receipts from taxes, interest, dividends, &c. This fund is regarded as sufficient to meet promptly and at maturity the interest and principal of the indebtedness of the State. The valuation of taxable property for 1865 was \$859,717,161, having been reduced about sixteen millions from the valuation for 1864, a fact wholly due to deterioration in the value of slave property, which for 1865 is set down at \$7,224,851 only, being less than an average of \$50 per head assessed for taxation. The taxation for 1865 was 40 cents on the hundred dollars of valuation, and appears to have been sufficient for all purposes. This taxation is equivalent to 180 cents *per capita* of the population. It is thus evident that Kentucky, notwithstanding her losses by reason of the war, is abundantly able to sustain her credit which has always stood high; being one of those States which has never been tainted with repudiation in any form whatever.

The following statement exhibits the changes in the amount of the debt by issues and redemptions yearly from October 10, 1859. to October 10, 1865;

Amount outstanding Oct. 10, 1859.....		\$5,479,244
Six per cent military loan certificates, 1861.....	\$1,795,000	
" " " " (Act Feb. 18, 1864).....	417,000	
" " Loans from School Fund, being unexpended county distributions.....	219,113	2,431,113
		\$8,910,357

Redeemed prior to Oct. 10, 1861.....	\$750,010	
" in 1861—military loan.....	\$310,000	
" " original debt.....	9,000	319,000
" in 1863—military loan.....	355,000	
" " original debt....	35,000	390,000
" in 1864—military loan.....	1,130,000	
" in 1865—original debt.....	67,000	2,656,010
Total outstanding Oct. 10, 1865....		\$5,254,347

The following is a statement of the debt, at the date mentioned :

PUBLIC DEBT OCTOBER 10, 1865.]

The public debt of Kentucky, at the close of the fiscal year 1864-65, amounted to \$5,254,347, and is thus accounted for :

Acts authorizing the several issues.	Parties and institutions to which issued.	Date of Issue.	Rate Matu- per rity. an'm	Amount—Issu- ed.	Out- standing.
Various.....	(Six y'rs bonds and int. imp. R.R. sc'p \$609,500)	Various.	Due. 6	.....	\$403
Feb. 23, 1835.....	Bank of Kentucky*....	May 25, 1835	1865 5	\$100,000	14,000
" "	Prime, Ward & King ..	Aug. 1, 1835	1865 5	100,000	85,000
Feb. 22, 1836.....	Northern Bank of Ky*.	April 25, '36	1866 5	100,000	95,000
" "	Bank of Ky*.....	June 1, 1836	1866 5	50,000	9,000
" 23, 1837.	War Department	April 1, 1837	1867 5	165,000	165,000
March 8, 1843....	John Tilden, ag't to sell	Sept. 2, 1843	1873 5	100 000	79,000
Feb. 16, 1838.....	Am. Life Ins & Trust Co	July 1, 1838	1868 6	1,250,000	999,000
" 22, 1839.....	Contract's on pub. w'ks	{ Apr 22, 1840, to Feb 19, '41 }	'70-71 6	33,000	27,000
" 21, 1840.....	Northern Bank of Ky..	Nov. 4, 1840	1870 6	285,000	188,000
" "	Bank of Ky.....	" "	1870 6	180,000	151,000
Feb. 21, 1840.....	Contractors and in-exchange for six years' bonds.	{ April 3, 1841 to April 1, 1842 }	'71-72 6	1,741,000	1,422,000
" .. 1841.....					
Mar. 3, 1842.....					
" 11, 1843.....					
" 2, 1844.....	Holders of Lex'gton & Ohio R. R. bonds....	Jan'y 1, 1865	1860 6	150,000	.....
Mar. 1, 1844.....					
Feb. 22, 1846.....	Holders of six years' bonds and others	{ Oct 7, 1846, to Jun 15, '48 }	'61-63 6	70,000	.....
Mar. 1, 1847.....					
Total amount held by public and institutions.....				\$5,486,000	\$3,651,403
Held by Board of Education*.....	Aug. 9, 1840	1870 6	24,000	24,000	
	Jan. 6, 1840	1870 6	21,500	21,500	
	Jan. 1, 1840	1870 6	22,000	22,000	
	Jan. 18, 1840	1875 5	500,000	500,000	
	Jan. 22, 1840	1875 5	170,000	170,000	
	" " 1875 5	180,000	180,000		
(Balance due for int. on State bonds.....	Dec 28, 1848 <i>pro sure</i>	5	308,268	308,268	
	July 5, 1850	" 5	101,002	101,002	
Jan. 30, 1864 For unexpen'd county distrib. & held by B'd of Education*.....	July 1, 1865	" 6	276,175	276,175	
Total amount held by Board of Education.....				\$1,602,945	1,602,945
AGGREGATE PUBLIC DEBT.....				\$5,088,945	5,254,347
The annual interest on the above debt is.....					\$299,196

Marked thus * indicates that principal and interest are payable in Kentucky; all others are payable in New York.

Against the above debt the State owns property of various descriptions and other assets valued in the aggregate at \$7,688,494. These are described as follows :

Stock in internal improvements.....	4,890,475
" in banks and railroads.....	1,562,820
Loan to Revenue Debt \$100,000, and interest \$9,000.....	109,000
Surplus in Treasury, Oct. 10, 1865.....	485,697
5 per cent legal tender notes on deposit in New York.....	100,000
Loan to Military Fund.....	200,000
Deposit to credit of Sinking Fund, Oct. 10, 1865.....	400,502
Total property and assets owned by State.....	7,688,494

These belong to and constitute the

SINKING FUND,

—a fund provided for the payment of interest on the State debt as it falls due and of

the principal at maturity. The resources of this fund are as follows: (1) Tax on Bank Stock, &c.; (2) Dividends on Bank Stock owned by State; (3) Dividends on State stocks in turnpike roads and profits on works of internal improvement; (4) lease of penitentiary; (5) 15 cents Revenue Tax; (6) tax on brokers and insurance offices; (7) interest on loan to keeper of penitentiary; (8) proceeds of the Commonwealth Bank and stock in old Bank of Kentucky; (9) redemption of forfeited lands and escheats; (10) interest on (\$74,579 50) L. & F. railroad bonds; (11) dividends on 2,178 shares L. & F. railroad stock; (12) excess in Treasury over \$10,000; (13) tax on playing cards; (14) tax on billiard tables; (15) tax on railroad stocks; (16) taxes on railroad and express companies; (17) tax of 6 per cent per annum upon dividends of turnpike roads; (18) tax on insurance companies incorporated by the State; and (19) tax on oil companies, etc., \$100.

The total receipts by the sinking fund in 1864-65 were.....	\$867,880
Add balance in Treasury, Oct. 10, 1864.....	20,480
Total resources.....	887,790
Warrants paid from Oct. 11, 1864 to Oct. 10, 1865	557,128
Balance in Treasury, Oct. 10, 1865.....	330,667

The warrants drawn in 1864-65 were for the following purposes:—Bank of America (for coupons) in New York, \$240,000; contingent expenses, \$1,510; interest on school bonds, \$81,465; interest on (home) State debt \$30,142; loan to Military Fund, \$200,000, and reduction of State debt, \$4,000—total, \$557,128.

THE MILITARY FUND.

Under this head are included all the financial transactions of the State on account of the late war. The State of Kentucky, the Auditor says, has borrowed and expended during the war, \$3,621,000. Of this sum the Federal government has refunded to the State the sum of \$1,051,000. This leaves due the State the sum of \$2,570,000. From this sum should be deducted the State's proportion of the \$20,000,000 direct tax, which the Legislature, by resolution approved December 23, 1861, assumed to pay the Federal government; this is \$606,641, which deducted, will leave due the State of Kentucky for and on account of money expended for military purposes \$1,963,359.

VALUATION AND TAXATION.

The taxable property in 1865 is valued at \$359,717,161 while in 1864 it amounted to \$375,129,756. This decrease resulted from the falling off in the value of slave property. In 1864 this item of taxation was valued at \$34,179,246, and in 1865 at only \$7,224,851, a difference of \$26,954,395. I am inclined to think," the Auditor adds, "that the additional increase of tax of five cents on the \$100 for revenue purposes will be sufficient with the natural increase of valuation to meet the expenses of the State government. The following shows the value of taxables:

VALUE OF TAXABLES AND TAXES.

	Number.	Value.		Num.	Value.
Land, acres.....	17,778,146	\$197,676,721	Stores.....	4,280	\$16,527,915
Town lots.....	45,560	61,883,478	Value under equalization		
Slaves (over 16 years			law.....		45,409,895
63,552).....	1153,514	7,224,851	Pleasure Car'ges, &c.....		1,509,182
Horses & mares.....	299,160	16,641,815	Gold & sil. wat's, &c.....		1,023,719
Mules.....	58,273	4,176,248	Gold & silver plate.....		500,303
Jennies.....	3,933	167,526	Pianos.....		708,259
Cattle.....	520,798	6,267,247			
Total valuation.....					\$359,717,161

The tax at 40 cents on \$100 valuation will amount to \$1,488,868 65, and including a number of minor special taxes the total income from taxation will be \$1,496,318 95 less collection and allowance. The general tax is levied thus—for State revenue 20c, for sinking fund 15c and for school fund 5c on the hundred dollars.

The following shows the variations in the valuation for the last five years :

	1861.	1862.	1863.	1864.	1865.
Land.....	\$224,656,910	\$174,187,963	\$185,151,296	\$196,145,226	\$197,676,721
Town lots.....	51,508,000	41,142,738	47,087,010	56,145,757	61,883,478
Slaves.....	88,704,682	57,998,498	57,511,770	34,173,246	7,224,851
Horses and mares.....	22,037,713	17,918,088	16,842,508	17,024,345	16,641,816
Mules.....	5,681,521	4,342,408	4,098,815	4,409,908	4,176,248
Jennies.....	506,791	309,351	274,610	238,382	167,528
Cattle over \$50.....	4,510,666	3,482,621	3,849,618	3,840,288	6,267,247
Stores.....	10,547,876	6,612,901	8,058,397	12,457,281	16,527,915
Value under equalization law,....	56,817,873	45,558,382	47,201,524	47,217,147	45,409,895
Carriages, &c.....	1,958,568	1,420,771	1,381,118	1,333,198	1,509,182
Watches & clocks.....	1,211,283	921,415	974,528	976,635	1,023,719
Gold and silver plate.....	587,416	504,386	512,050	515,803	500,803
Pianos.....	634,319	500,228	524,815	601,590	708,259
Total.....	468,863,612	354,917,150	372,968,047	375,129,756	359,717,161
Excl. of slaves.....	380,158,940	296,918,652	315,456,277	340,950,510	352,492,310

RECEIPTS AND EXPENDITURES.

The ordinary receipts and expenses of the government from all sources and on all accounts for the year ending October 10, 1865 were as shown in the following statement.

	Gen'l Fund.	S'king Fund.	School Fund.	Total.
Receipts.....	\$710,463 00	\$418,989 03	\$194,238 52	\$1,323,690 55
Balance, Oct. 10, 1864.....	66,285 87	28,762 59	14,381 30	109,429 76
Total resources.....	776,748 87	447,751 62	208,619 82	1,433,120 31
Warrants drawn.....	757,446 46	342,721 61	171,587 49	1,271,749 56
Balance, Oct. 10, 1865.....	19,302 41	105,030 01	87,038 33	161,370 75

The above is exclusive of the military and the enrolled militia funds; including which and the balance on hand, Oct. 10, 1864 (\$225,984 30), the total resources of the treasury amounted to \$2,014,948 92 and the expenditures to \$1,826,866 43, leaving a balance Oct. 10, 1865 of \$188,582 49.

COMMERCE OF THE UNITED STATES.

The following review of the commerce of the United States we take from the *Journal of Commerce*. We do not see the necessity for impugning the motives of those under whom these reports were prepared. The errors, we think are evidently the result of the same carelessness referred to by the Internal Revenue Commissioners, and the result of which we have exposed on a previous occasion. The *Journal* says :

We have been for several months in possession of the official returns of the imports and exports of the United States for the last fiscal year, but have been afraid to use it, because we place no reliance on the figures thus given. As no other paper seems to possess the returns, and our own silence has been misinterpreted, and severely commented upon by certain partisans of the Treasury Departmented, we here annex the official figures :

FOREIGN IMPORTS AT THE PORTS OF THE UNITED STATES FOR THE YEAR ENDING JUNE 30, 1865.

Dutiable merchandise.....	\$183,258,278
Free merchandise.....	43,856,155
Specie and bullion.....	7,225,377
Total imports for the year.....	\$234,339,810

The above only represents only the foreign cost of the goods in gold, without including any part of the freight and duty.

EXPORTS FROM THE UNITED STATES TO FOREIGN PORTS FOR THE YEAR ENDING JUNE 30, 1865.

Domestic produce.....		\$254,381,481
For dutiable merchandise.....	\$23,455,887	
Foreign free do	4,411,621	
		27,867,468
Domestic specie and bullion.....	\$51,925,277	
Foreign specie and bullion.....	2,522,907	
		54,448,184
Total exports for the year...		\$336,697,129

The export figures (except for specie, which is given at its tale value) represent the market value in the ordinary currency at the port of shipment, and are thus chiefly computed in paper money.

Our readers will naturally inquire why, if these returns are official, we do not receive them with implicit credit. The answer covers one of the most remarkable records ever made in the Treasury Department. We have heretofore called attention to the gross errors which were apparent in the annual volumes of the Finance Report and Commerce and Navigation, commencing with the year 1861, but we supposed that most of these were the result of carelessness or stupidity. We now wish to give a plain comparison of the total of these returns, as published under Mr. Chase and Mr. McCulloch, and leave the candid public to judge for themselves as to the motives which have produced this difference. The following is the official statement put forth by Secretary Chase, and repeated by Mr. Fessenden, in the official Finance Report of 1864, page 242 :

GROSS VALUE OF IMPORTS AND EXPORTS.

Year.	Exports.	Imports.	Excess of Exports.	Excess of Imports.
1861.....	\$410,856,818	\$352,075,535	\$58,781,283	.....
1862.....	239,938,975	205,819,822	34,119,153	.....
1863.....	350,052,125	252,187,587	97,864,538	.....
1864.....	340,665,580	328,514,559	12,151,021	.....
Excess of Exports.....			\$192,916,594	

This would show that setting the exports (mostly given in paper money value) against the imports (given in foreign gold value), there would be a seeming excess of exports in four years, amounting to nearly two hundred million dollars. We publish the above table just a year ago, with the comment that it was most extraordinary, and remarked that we should "not be surprised to hear of subsequent corrections." No one could expect, however, that the corrections would take on such a shape as we have now presented. The new volume, issued by Secretary McCulloch, gives the new readings as follows :

GROSS VALUE OF IMPORTS AND EXPORTS.

Year.	Exports.	Imports.	Excess of Exports.	Excess of Imports.
1861.....	\$243,971,277	\$236,598,125	\$.....	\$42,624,556
1862.....	229,938,985	275,357,051	.....	45,418,066
1863.....	322,359,254	252,919,920	69,439,334	.....
1864.....	301,984,561	329,562,895	.....	27,578,334
				\$115,623,266
				69,439,334
Excess of imports.....				\$46,183,924

Thus, instead of an excess of exports for these four years amounting to \$192,916,444, we have an excess of imports (even without counting the difference between gold and paper!) of \$46,183,924, thus making a change in the figures by a few strokes of the pen of nearly two hundred and fifty million dollars. But the worst is still to come. We wrote to the department, more than two months ago, calling attention to this startling change, and received from an intelligent subordinate clerk at the head of the proper bureau, a "correction" for the year 1861, making it read as follows :

Year.	Exports.	Imports.	Excess of Exports.	Excess of Imports.
1861.....	\$249,344,918	\$235,650,158	\$.....	\$33,694,760

This, it will be seen, increased instead of diminishing the difference between Secretary Chase and Secretary McCulloch, and made the total discrepancy, for four years, nearly three hundred million dollars. The explanation which accompanied the corrected volume, stated that a quarter's imports had been omitted in the first compilation. Whether this amended return is the true one, and if so, what reliance is to be placed on the returns for subsequent years, we submit to the impartial reader. We have been promised a revise for the whole period beginning with 1861, and were waiting somewhat impatiently for it; but as the delay in publication has brought down upon us no little abuse from angry partisans who have accused us of suppressing the returns, we have thought it best to lay all the facts within our reach before the public, and leave the Treasury Department to make its own explanation and settlement. The disagreeing reports are official, duly signed, and issued under the highest authority in the department.

ANALYSES OF RAILROAD REPORTS. No. 8.

I. Western Railroad.—II. Boston and Worcester Railroad.—III. Cleveland and Pittsburg.—IV. Philadelphia, Wilmington and Baltimore Railroad.—V. Northern Central Railway.

WESTERN RAILROAD.

The constituents of this great road which connects Boston with Albany and the interior States, are as follows :

Western Railroad.....	Worcester to New York State Line.....	117.81 miles
Albany & West Stockbridge.....	Massachusetts State Line to Albany.....	38.22 "
Hudson Branch.....	Chatham to Hudson City.....	17.33 "
Total length of road owned by Company.....		173.36 "
Second track and sidings.....		126.61 "
Length of equivalent single track.....		299.97 "
Leased Road.—Pittsfield and North Adams Railroad.....		18.65 "
Total length of road owned, leased, and operated		318.62 "

Under the Pittsfield and North Adams' lease, which is to run thirty years from 1st December, 1846, the date of its completion, the Western Company are to pay six per cent. on the cost, about \$450,000. The net earnings have generally been inadequate to the demand, and the difference has been paid by the lessees.

The cars of the Western Company reach Boston over the Boston and Worcester Railroad, the whole distance from Boston to Albany being about 200 miles.

EQUIPMENT.—ENGINES AND CARS.

The equipment of the road at the close of each of the last ten years ending November 30, 1865, has been as follows :

Close of Year.	Locomotive ——— Number of 8 wheel cars. ———				
	Engines.	Passenger.	Mail, &c.	Freight.	Total.
1856.....	69	37	9	1,001	1,047
1857.....	70	40	10	1,012	1,062
1858.....	72	44	11	1,036	1,091
1859.....	72	47	12	1,057	1,116
1860.....	72	47	12	1,057	1,116
1861.....	72	47	12	1,051	1,110
1862.....	73	45	9	1,099	1,153
1863.....	73	45	10	1,099	1,154
1864.....	75	46	12	1,147	1,205
1865.....	78	45	12	1,170	1,227

OPERATIONS OF THE COMPANY.

The following statement shows the mileage of engines, the number of passengers, and the tons of freight carried over the road for the ten years ending November 30, 1865.

The mileage of engines with trains follows :

Fiscal Years.	Passenger Trains.	Freight Trains.	Gravel, &c., Trains.	Total mileage with Trains.
1856.....	829,674	657,944	39,400	1,527,018
1857.....	814,907	589,706	43,590	1,448,203
1858.....	816,190	585,639	43,122	1,444,951
1859.....	829,768	653,721	36,565	1,520,054
1860.....	859,564	701,455	53,072	1,614,091
1861.....	882,845	804,136	47,037	1,734,018
1862.....	862,981	852,350	41,870	1,757,201
1863.....	879,952	854,199	41,778	1,775,929
1864.....	416,443	96,507	47,273	1,430,223
1865.....	446,022	864,240	48,252	1,358,514

The number and classes of passengers carried in the same years were as follows :

Fiscal Years.	Through Passengers.	Way Passengers.	Total Passengers.	First Class.	Second Class.
1856.....	68,246	558,449	626,695	567,706½	58,988½
1857.....	59,878	569,676	629,554	570,322	59,232
1858.....	47,637	484,277	531,914	485,003	46,911
1859.....	44,251	533,519	577,770	558,751	19,019
1860.....	41,674	576,208½	617,882½	602,844	15,038½
1861.....	34,030	529,110	563,140	545,064	17,476
1862.....	35,497	522,55½	558,047½	544,6½	13,487½
1863.....	56,243	654,214	710,457	698,678½	11,778½
1864.....	73,965½	862,749½	936,715	922,924	13,791
1865.....	81,024	929,349½	1,010,373½	1,009,288	1,085½

The number of tons of freight carried are stated in the following table :

Fiscal Years.	Through—		Way—		Thro' & Way—		Total Tons.
	West.	East.	West.	East.	West.	East.	
1856.....	33,054	62,517	104,698	218,401	137,752	280,918	418,670
1857.....	25,544	40,041	93,723	218,199	119,267	258,240	377,507
1858.....	18,383	56,215	103,582	259,686	121,965	315,931	437,916
1859.....	22,673	60,795	115,794	249,088	138,467	389,673	528,140
1860.....	24,350	66,355	147,788	267,054	172,138	439,400	611,538
1861.....	20,295	111,272	106,474	269,638	127,269	396,910	524,179
1862.....	22,785	113,040	136,521	315,158	159,306	471,198	630,524
1863.....	30,933	104,776	147,432	330,786	178,365	509,151	687,537
1864.....	27,256	116,288	144,944	394,372	172,200	566,572	738,820
1865.....	29,173	87,254	164,451	412,576	193,624	606,200	799,824

By "through tonnage" is here meant freight from Boston to Albany and vice versa.

The following table is interesting, showing as it does the number of barrels of flour transported from Albany and Troy yearly to Boston and way stations :

Fiscal Years.	Barrel of flour to—			Fiscal Years.	Barrels of flour to—		
	Boston.	Way sta'ns.	Total.		Boston.	Way sta'ns.	Total.
1856.....	257,610	208,385	466,995	1861.....	594,005	251,564	845,569
1857.....	196,870	207,390	404,260	1862.....	567,968	325,662	893,630
1858.....	311,567	207,953	519,520	1863.....	528,310	436,697	965,007
1859.....	265,779	182,131	447,910	1864.....	590,265	331,862	922,127
1860.....	278,842	171,281	450,123	1865.....	303,844	332,169	636,013

The earnings, expenses and revenue from operations yearly for the ten years ending November 30, 1865 have been as follows :

Fiscal Years.	Gross Earnings—				Operating expenses.	Revenue or profits.
	Pass'ger.	Freight.	Mails, &c.	Total.		
1856.....	\$812,880	\$1,207,789	\$95,151	\$2,115,820	\$1,228,219	\$887,601
1857.....	808,977	1,007,186	94,179	1,910,342	1,084,118	826,224
1858.....	637,642	965,516	94,135	1,700,293	80,930	1,619,363
1859.....	679,121	986,305	101,642	1,767,068	936,920	830,148
1860.....	690,992	1,101,119	89,240	1,881,351	903,096	978,255
1861.....	613,865	1,164,320	116,833	1,894,918	1,081,571	813,347
1862.....	634,656	1,351,802	109,404	2,095,922	1,111,358	984,564
1863.....	837,611	1,479,874	116,277	2,433,762	1,307,007	1,126,755
1864.....	1,143,318	1,739,796	111,834	2,994,948	1,618,141	1,376,807
1865.....	1,366,565	1,926,221	138,793	3,431,584	2,204,925	1,226,659

The distribution of profits (including result on Pittsfield and North Adams Railroad) has been as follows :

Fiscal Years.	Profits (incl. P. & N. A. R. R.)	Distribution—			Carried to
		Int'l. S'k'g funds.	Divid'ns.	U. S. tax.	Surplus.
1856.....	\$889,763	\$305,959	\$50,000	\$396,250	\$147,554
1857.....	824,306	313,127	50,000	412,000	61,179
1858.....	805,209	342,442	50,000	412,000	107
1859.....	828,276	350,179	50,000	412,000	16,097
1860.....	869,024	348,223	50,000	412,000	78,801
1861.....	805,057	328,953	50,000	412,000	4,105
1862.....	981,241	364,444	50,000	412,000	148,897
1863.....	1,232,831	438,802	50,000	463,500	266,194
1864.....	1,178,712	544,103	50,000	515,000	43,609
1865.....	1,232,832	457,296	50,000	548,662	152,760

The "interest column" includes also the amount of exchanges paid. The "U. S. tax column" is the excise paid on dividends. The "profits" in the second part of the above table where they differ in amount from those of the first part have been increased or decreased by the gain or loss in operating the Pittsfield and North Adams Railroad.

The financial condition of the company yearly as exhibited on the balance sheet on the 30th November for the past six years is shown in following statements :

Nov. 30th.	Capital stock.	Funded debt.	Bills, In't and ac't. &c. divid's.	Sk'g F'd profits.	Surplus fund.	Total amount.	
1860.....	\$5,150,000	\$6,269,520	\$22,679	\$275,746	\$1,822,035	\$400,644	\$13,940,644
1861.....	5,150,000	6,271,520	99,660	275,766	2,040,714	404,802	14,242,462
1862.....	5,150,000	6,419,520	70,328	283,617	2,254,773	553,175	14,731,418
1863.....	5,150,000	6,269,520	25,721	835,960	2,507,616	819,368	15,108,186
1864.....	5,150,000	6,269,520	29,295	240,871	2,699,801	843,227	15,352,214
1865.....	5,637,700	6,269,520	27,796	425,245	2,992,761	1,005,783	16,348,805

Against which are charged as follows, viz.:

Nov, 30th	Roads and equip- ments.	Stocks and secur's.	Ledger bal's.	Materials on hand.	Cash on hand.	—Sinking funds— State. Albany.
1860.....	\$11,029,079	\$15,120	\$162,154	\$303,879	\$144,778	\$1,610,769 \$671,165
1861.....	11,635,152	15,120	175,123	800,848	115,927	1,775,890 724,502
1862.....	11,218,476	15,120	256,423	301,796	225,246	1,936,007 778,350
1863.....	11,262,856	225,120	225,870	267,246	155,722	2,136,127 834,234
1864.....	11,271,656	186,800	229,854	290,181	270,726	2,255,962 897,085
1865.....	11,271,856	259,056	145,818	387,686	132,554	2,506,262 946,078

The column headed "interest and dividends," shows the amount of dividends declared but not paid, and of interest accrued but not due.

The "funded debt" of the company is made up as follows :

Five per cent sterling bonds of the State of Massachusetts issued in favor of the company, and the principal and interest of which are payable by the company.....				£399,900 @ \$4.80=	\$4,819,520
viz.:	\$135,000	\$648,000	issued.....	April 1, 1838, due.....	April 1, 1868
	837,500	1,620,000	"	Oct. 1, 1838, "	Oct. 1, 1868
	90,000	432,000	"	" 1, 1839, "	" 1, 1869
	180,000	864,000	"	April 1, 1840, "	April 1, 1870
	157,400	755,520	"	" 1, 1841, "	" 1, 1871
—Interest semi-annually April 1 and October 1, payable at London.					
Six per cent bonds of the city of Albany, issued in favor of, and payable, principal and interest, by the company.....					\$1,000,000
Of which \$650,000 were issued 30th May 1840, and \$350,000 1st Aug. 1841; and are payable at Boston as follows: \$250,000 July 1, 1866; \$300,000 July 1, 1870; \$200,000 July 1, 1871, and \$250,000 July 1, 1876. Interest semi-annually Jan. 1 and July 1 at Boston.					
Six per cent bonds (no mortgage) dated Oct. 1, 1855 and due Oct. 1, 1875, interest semi-annually April 1 and Oct. 1 at Boston.....					800,000
Six per cent loan from Sinking Funds, payable on demand.....					150,000
Total amount.....					\$6,269,520

Sinking Funds.—The Massachusetts Loan bonds will be retired by the operation of a sinking fund based on the premium on the sale of said bonds, which amounted to \$146,467, and an annual payment of 1 per cent on their total amount estimated for this purpose at \$4,000,000. The value of this fund Nov. 30, 1865, was \$2,506,262, which is invested at 6 per cent interest.

The Albany bonds will also be retired by aid of a similar fund, based on an original investment of 10 per cent of their whole amount, and a payment thereto of 1 per cent annually. The fund Nov. 30, 1865, amounted to \$946,078, which is invested at 6 per cent. The redemption of \$250,000 of the bonds will take place on the 1st of July of the present year.

DEDUCTIONS.

The cost of road, and the earnings, expenses and profits per mile, with the proportion

of expenses to earnings, and of profits to cost of road, are shown for each of the last ten years in the following statement :

Fiscal years.	Cost of roads per mile.	Gross earnings per mile.	Operating expenses per mile.	Net earnings per mile.	Expenses to earnings.	Profits to cost of road.	Ratio of dividends.
1856.....	\$66,122	\$13,563	\$7,809	\$5,754	57.57	8.70	74
1857.....	67,268	12,246	6,949	5,297	56.74	7.87	8
1858.....	69,808	10,899	5,711	5,188	52.40	7.53	8
1859.....	69,887	11,327	6,006	5,321	53.02	7.61	8
1860.....	69,887	12,060	6,869	5,191	52.81	8.14	8
1861.....	70,364	12,144	6,933	5,211	57.08	7.40	8
1862.....	70,641	13,435	7,124	6,311	53.16	8.93	8
1863.....	71,033	15,613	7,737	7,876	49.60	11.09	9
1864.....	72,333	19,198	11,655	7,543	60.71	10.43	10
1865.....	72,333	21,997	14,184	7,813	64.24	10.87	10

The above is computed on the length of the main line, 156 miles.

The Western Railroad Company was chartered by the Legislature of Massachusetts by an act passed April 15, 1833. The construction of the road, however, was not commenced until 1837. In that and the two following years the whole line was placed under contract. The Eastern Division, extending from Worcester to the Connecticut River, was opened for traffic October 1, 1839. The Western Division, from the Connecticut River to the New York State line, was completed and commenced operations by sections in 1841, viz.: From the boundary line of New York to Pittsfield, May 4; from Springfield to Chester Factories, May 24; from Pittsfield to the Summit, August 9, and from the Summit to Chester Factories, September 13. The bridge across the Connecticut River was completed July 4, 1841, and trains first passed over the whole line from Boston to Albany October 4, 1841.

That portion of the line lying within the State of New York, 38 miles, was constructed under the charter of the Albany and West Stockbridge Railroad Company, granted in 1836. The construction of the road was commenced in 1838, and the first division from Albany to Chatham Four Corners was opened December 24, 1840. Pending the construction of the second division from Chatham to the State Line of Massachusetts, a portion of the line of the Hudson and Berkshire Railroad was used to form the through line. The whole, however, was completed and came into operation, September 12, 1842.

The New York portion, as above described, was constructed by the Western Company, to which it is leased for the term of fifty years, the period of its charter, and for any renewal of the same. Toward the construction of this road the City of Albany subscribed \$1,000,000 to the capital stock, paying for the same in city bonds. By the terms of the subscription the stock taken by the city, and which constitutes the entire share capital of the Albany and West Stockbridge Company, is held by the city as collateral security for its bonds. The Western Company having agreed to pay the principal and interest. A sinking fund now in force will satisfy them at maturity, and, whenever the bonds are returned, the City of Albany will release the property of the company.

An agreement between the Western Company and the Pittsfield and North Adams Company was signed January 30, 1846, under which the former took a lease of the road of the latter parties for the period of thirty years, from the date of its completion, and agreed to pay for the use of the property six per cent. on its cost. At the expiration of the stipulated period the Western Company have the right to purchase the road, or re-

new the lease for a further term of ninety-nine years paying annually five per cent. on its cost. The road was finally opened December 1, 1846, and cost about \$450,000.

In November, 1854, the Western Company became purchasers, under a sale at auction by the Comptroller of the State of New York, of the Hudson and Berkshire Railroad, then extending from the City of Hudson easterly to the boundary line of Massachusetts, a distance of thirty-one miles. Its cost to the Western Company has been less than \$200,000. The section of road east of Chatham has since been disused and the track taken up, and the remaining portion now forms the Hudson Branch of the main line. A separate organization, however, is still kept up for this road, as well as for the Albany and West Stockbridge Railroad, to satisfy the local law.

The interests of the Western Company are so intimately interwoven with those of the Boston and Worcester Company that it appears strange that they should form separate corporations. The lines owned by these companies, indeed, are inseparable, forming, as they do, a great east and west line between Boston and Albany. It is true that several attempts have been made to consolidate them, but no project has yet been adopted to complete such an arrangement. It is to be hoped, however, that wise councils will prevail in this matter, and the unification not be delayed. Under a single authority and superintendence greater economy would be possible, and the property of the joint company be thereby enhanced. It is, however, scarcely possible that operations could be conducted with greater care and convenience to the public than they are at the present time. The Western Railroad and its Eastern connections, indeed, are the pattern roads of the Union.

The company also holds one-third of the capital stock of the West Stockbridge Railroad, a short line of two and three quarter miles, and used as a connecting link between the Housatonic Railroad line and the Western Railroad. It was constructed under the Massachusetts charter by the Hudson and Berkshire Company in 1838.

BOSTON AND WORCESTER RAILROAD.

The Boston and Worcester Railroad forms an important link in the line of railroad between Boston and Albany. Its constituents are as follows:

<i>Main Line</i> — Boston to Worcester.....	miles	44.63
<i>Branch Lines</i> — Boston to Brookline.....	1.55	
— West Newton to Newton Lower Falls.....	1.25	
— Natick to Saxonville.....	8.87	
— Framingham to Milford.....	11.97	
— Framingham to Framingham Center.....	2.06	
— Grafton to Millbury.....	3.07	23.77
Total length of main line and branches.....		68.40
Second track and sidings.....		62.10
Equivalent single track owned by the company.....		130.50
<i>Leased road</i> —Agricultural Branch, Framingham Centre to Northboro.....		15.03

EQUIPMENT—ENGINES AND CARS.

The rolling stock on the road owned by the company at the close of the fiscal years (Nov. 30,) 1859–65, both inclusive, is shown in the following statement:

Close of year.	Locom. engines.	—Pass cars— 8-wh. 4-wh.	Bag'e 8-wh.	—Freight cars— 8-wh. 4-wh.	Gravel, 4-wh.	Total numb.
1859.....	30	46 9	8	269 24	78	429
1860.....	30	49 6	9	272 23	61	420
1861.....	30	49 1	9	275 13	55	403
1862.....	30	49 1	9	273 10	51	393
1863.....	30	45 1	9	306 10	48	421
1864.....	33	51 1	9	302 9	none	373
1865.....	35	54 1	9	305 9	none	363

The above are exclusive of cars on the land and steamboat lines between Boston and New York. This company owns 44-286ths of the rolling stock of the land route, which in 1865 consisted of 24 passenger, 11 baggage and express, and 3 post-office cars; and 2-5ths of five passenger and two baggage cars on the steamboat route.

YEARLY OPERATIONS ON THE ROAD.

The mileage of engines with trains, the number of passengers and tons of freight carried, and the equivalent passengers and tons carried one mile yearly for the last seven years, are shown in the statement which follows:

Fiscal years.	—Miles run by engines.—				—Passengers.—		—Freight.—	
	Pass.	Freight.	Other.	Total.	No.	Mileage.	Tons.	Mileage.
1855-56.....	342,752	160,319	8,901	521,972	1,603,453	25,296,855	327,350	11,605,506
1856-57.....	340,844	177,798	7,852	525,954	1,601,013	24,979,294	352,999	12,619,150
1857-58.....	346,345	173,265	9,341	528,951	1,476,894	23,239,178	345,174	13,403,009
1858-59.....	365,958	193,249	4,910	564,117	1,506,196	24,542,655	382,494	14,875,747
1859-60.....	363,251	205,354	4,909	573,514	1,689,505	29,425,029	413,781	16,090,090
1860-61.....	413,488	223,169	1,865	638,522	2,141,196	39,901,252	458,330	17,823,725
1861-62.....	433,359	217,598	18,277	669,234	2,386,186	40,499,466	427,404	16,650,097

REVENUE ACCOUNTS.

The gross earnings from transportation, the expenses of operating and the resulting profits yearly are shown in the following statement:

Fiscal Years.	Gross Earnings				Operating Expenses.	Yearly Profits.
	Passenger.	Freight.	Other.	Total.		
1855-56.....	\$566,126	\$509,225	\$39,490	\$1,108,781	\$671,720	\$437,061
1856-57.....	547,339	438,102	33,707	1,019,148	612,686	406,462
1857-58.....	504,268	385,615	33,341	923,224	570,929	352,295
1858-59.....	561,508	471,064	34,498	1,067,070	565,434	501,636
1859-60.....	559,021	451,543	35,119	1,045,683	606,399	439,284
1860-61.....	472,729	414,684	41,520	928,933	520,338	408,595
1861-62.....	967,719		38,411	1,006,130	515,896	490,234
1862-63.....	1,149,343		53,311	1,202,654	714,296	488,358
1863-64.....	1,409,685		62,300	1,471,985	984,520	487,465
1864-65.....	1,003,158	623,500	70,506	1,697,164	1,160,106	537,058

FINANCIAL CONDITION.

The financial condition of the company as shown on the general balance sheet at the close of the fiscal years, (November 30), 1855-56 to 1864-65, both years inclusive, is indicated in the statement which follows:

Close of Year.	Capital Stock.	Funded Debt.	Floating Liabilities.	Dividend (January).	Reserve Income.	Total Amount.
1855-56.....	\$4,500,000	\$500,000	\$114,514	\$135,000	\$310,217	\$5,639,731
1856-57.....	4,500,000	500,000	99,974	135,000	421,023	5,655,996
1857-58.....	4,500,000	500,000	60,774	135,000	382,386	5,598,160
1858-59.....	4,500,000	500,000	29,595	180,000	541,917	5,751,512
1859-60.....	4,500,000	.....	47,585	180,000	599,989	5,327,574
1860-61.....	4,500,000	.....	126,104	180,000	437,076	5,243,180
1861-62.....	4,500,060	.....	93,654	185,567	556,363	5,335,584
1862-63.....	4,500,000	.....	247,921	231,959	571,009	5,550,889
1863-64.....	4,500,000	.....	229,061	236,842	591,607	5,557,510
1864-65.....	4,500,000	.....	505,214	260,526	648,049	5,913,789

Against which are charged as follows:

Fiscal Years.	Construction Account.	Real Estate.	Gd. Jctn RR bond.	Materials on hand.	Other Assets.	Cash on hand.
1855-56.....	\$4,855,411	\$48,939	\$100,000	\$287,918	\$359,541	\$57,922
1856-57.....	4,843,779	55,134	100,000	250,042	421,960	35,892
1857-58.....	4,689,098	54,608	100,000	192,276	497,264	44,914
1858-59.....	4,728,580	54,458	100,000	138,460	669,946	40,068
1859-60.....	4,738,442	75,998	100,000	126,983	281,100	5,094
1860-61.....	4,500,000	92,881	100,000	144,925	325,945	20,179
1861-62.....	4,500,000	100,028	100,000	144,869	446,531	44,163
1862-63.....	4,500,000	100,028	100,000	160,358	661,690	28,513
1863-64.....	4,500,000	100,028	100,000	173,294	659,170	25,018
1864-65.....	4,500,000	103,008	347,620	208,563	739,581	15,018

DEDUCTIONS.

The following table deduces from the above statements the cost of road and the

gross earnings, operating expenses, and profits per mile ; also, the ratio of the expenses to earnings, and of the profits to cost of road :

Fiscal Years.	Cost of road per mile.	Earnings per mile.	Expenses per mile.	Profits per mile.	Expenses to Earnings.	Profits to cost of RR.	Divi- dend stock
1855-56.....	\$70,965	\$16,210	\$9,820	\$6,390	60.58	8.99	6
1856-57.....	70,830	14,900	8,957	5,943	60.12	8.99	6
1857-58.....	68,554	13,499	8,347	5,152	61.83	7.51	7
1858-59.....	69,151	15,600	8,266	7,334	59.99	10.61	7
1859-60.....	69,277	15,268	8,995	6,273	64.06	9.27	8
1860-61.....	65,789	13,581	7,810	5,771	56.07	9.07	8
1861-62.....	65,789	14,709	7,541	7,168	51.22	10.89	8
1862-63.....	65,799	17,582	10,433	7,049	60.99	10.71	9
1863-64.....	65,789	21,520	14,323	7,197	66.90	10.83	10
1864-65.....	65,790	24,812	16,961	7,851	68.32	11.93	10

The above are based on the whole length of the road and branches 68.4 miles in aggregate length.

The Boston and Worcester Railroad Company was chartered by the Legislature, June 23, 1831, and was the first railroad company in the State which was expressly authorized to use the locomotive. The charter provided that no other railroad leading in the same direction should be constructed within a distance of five miles from its route, and also that the State might purchase the line after thirty years from its completion, on payment of cost of construction, and such sums in addition thereto as would be equal to dividends of ten per cent. annually on such cost. With this limitation the charter is perpetual.

The construction of the road was commenced in August, 1832, and the work completed in sections as follows: From Boston to Newton, 9 miles, April 16; Ashland, 24 miles, Sept. 20, and to Westboro, 32 miles, Nov. 15, 1834. The entire line was completed and opened to traffic on the 3d July, 1835. On this road the locomotive engine was used for the first time in New England as the motive power for passenger trains. The second track was completed in 1843.

The Agricultural Branch Railroad was leased for 20 years from Dec. 1, 1855, the Boston and Worcester Company agreeing to pay as rent one-third of the gross earnings of the branch, and of the joint earnings of the two roads on traffic originating or terminating on the branch, excluding Framingham Center Station—the receipts so accruing not to exceed six per cent. on its cost. The Boston and Worcester Railroad Company, however, agreed to pay absolutely six per cent. on \$60,000 of the share capital. The rent of this branch is included in operating expenses. In 1864-65 it amounted to \$20,969 07.

The Boston and Worcester Company has been one of the most successful in New England. It has never once failed to pay the semi-annual dividend since the road was completed, 31 years ago. These dividends have

the whole period 227 per annum.

Changes in the economy, consolidation with the cheapness of operating carried into effect at no gain a more extensive company not being sufficient of freight from of this purpose the

company has been buying up the bonds of the extinct Grand Junction Railroad Company, and with these in hand will purchase its wharf property and railroad. Proceedings are now pending in the Supreme Court which will, it is hoped, soon enable the company to take possession and make it available for the public benefit. The Legislature have also the matter in hand with a view to settling the title. The company contemplate creating storehouses and elevators of a capacity adequate to the transaction of their immense business.

CLEVELAND AND PITTSBURG RAILROAD.

In the *MAGAZINE* of October 9, 1865, were given an analysis of the reports of this company for the ten years ending November 30, 1864. Referring to this for the previous development of the company, we now propose to compare the results of the year 1864-65 with those of the year next preceding.

The earnings and expenses for the years 1864 and 1865 were comparatively as follows :

OPERATING ACCOUNTS.				
	1864.	1865.		
Earnings from passengers...	\$832,831	\$1,029,093	Increase...	\$196,262
Earnings from freight.....	1,571,155	1,569,584	Decrease ..	1,571
Earnings from other sources...	108,339	97,728	" ..	10,611
Total earnings	\$2,512,315	\$2,696,377	Increase...	\$184,062
Maintenance and transportation.....	1,505,636	1,959,583	" ..	453,947
Profits from operations.....	\$1,006,679	\$736,794	Decrease...	\$269,885

The equipment of the road at the close of the fiscal years 1864 and 1865 was as follows :

EQUIPMENT—ENGINES AND CARS.								
	Locomotives.	Pass. train— Pas'n- Bag., ger. mail, &c.	Freight train— Box. Stock. Plat- form.	Gon- dola.	Total Work cars.			
1865.....	68	81	89	227	81	17	704	1,039
1864	56	28	38	263	90	19	768	1,906
Increase.....	12	8	1	86	9	2	64	101
Decrease.....	..	..	..	86	9	2	64	101

The miles run by engines with trains sum up as follows :

MILEAGE OF ENGINES WITH TRAINS, ETC.				
	1864.	1865.		
Passenger trains.....	388,079	413,536	Increase. .	25,457
Freight trains.....	566,613	723,393	" ..	156,780
Wood and gravel trains.....	281,020	268,981	Decrease..	12,039
Tuscarawas Branch trains.....	21,100	23,831	Increase...	2,731
Total (engines) miles.....	1,256,812	1,429,741	Increase...	172,929
Cars hauled one mile	10,617,653	9,825,270	Decrease..	792,383
Tons of freight carried one mile	59,823,382	61,690,300	Increase...	1,866,918

The income of the company from operations and all other sources, for the two years are shown in the following statement :

INCOME ACCOUNT—PROFIT AND LOSS.				
	1864.	1865.		
Assets on hand Dec. 1.....	\$369,807	\$200,387	Decrease..	\$169,420
Profits from operations.....	1,006,679	736,794	" ..	269,885
Pitts., Ft. W. & C. Co., on account of division of joint earnings ....	.....	148,113	Increase...	148,113
Interest and discount.....	3,678	2,573	Decrease..	1,105
Capital stock account.	430,852	987,900	Increase...	557,048
Fourth mortgage bonds issued.....	7,000	.....	Decrease..	7,000
Sale of real estate .....	.....	500	Increase...	500
Bills payable issued and outstanding.....	129,821	.....	Decrease..	129,821
Total.....	\$1,947,838	\$2,026,268	Increase...	\$78,430

Disbursed as follows, viz:

Pitts., Ft. W. & C. Co., on account of division of joint earnings.....	\$162,689	\$	Decrease..	\$102,689
Pitts., Ft. W. & C. Co. for lease of road	85,000	85,000	Decrease..	.....
Interest on bonds, &c.....	389,110	389,367	Decrease..	843
Dividends on stock	320,608	312,929	" ..	107,679
Indebtedness cancelled.....	12,686	51,055	Increase..	88,369
Bonds converted into stock.....	270,000	187,000	Decrease..	183,000
Stock converted and retired.....	3,344	9,690	" ..	6,346
Claims for damages compromised.....	.....	10,000	Increase..	10,000
Expenditures on construction, &c.....	684,039	876,317	" ..	312,285
Accounts charged off.....	.....	2,074	" ..	2,074
Assets on hand Nov. 30.....	300,367	364,144	" ..	153,787
Total.....	\$1,947,628	\$3,026,268	" ..	\$78,430

The general account of the company Dec. 1, 1864 and 1865 comparatively, reads as follows:

GENERAL BALANCE SHEET.

	1864.	1865.		
Capital stock.....	\$4,266,968	\$5,403,911	Increase...	\$1,136,943
Second mortgage bonds.....	1,157,000	1,129,000	Decrease..	28,000
Third " ..	1,738,500	1,619,600	" ..	109,000
Fourth " ..	1,108,740	1,108,124	" ..	616
River Line bonds.....	4,000	4,000	.....	.....
Dividend " ..	24,811	16,723	Decrease..	8,088
Income " ..	3,500	3,500	.....	.....
Bills payable.....	184,347	83,292	Decrease..	61,055
Surplus net earnings.....	848,466	306,255	" ..	42,210
Total.....	\$8,776,353	\$9,674,307	Increase...	\$897,955

Against which are charged as follows, viz:

Construction.....	\$3,454,040	\$3,301,451	Increase...	\$747,494
Machinery and tools.....	68,342	69,935	" ..	11,743
Personal property.....	29,034	31,300	" ..	2,716
Telegraph lines.....	16,914	16,914	.....	.....
Real estate.....	17,685	.....	Decrease..	17,685
Assets, viz:				
Shop materials.....	64,347	131,339	Increase..	46,992
Lawrence Railroad & Tr. Co.'s stock.....	4,125	10,000	" ..	5,875
Bills receivable.....	12,931	12,931	Decrease..	700
Personal accounts.....	22,351	23,755	" ..	6,606
Cash.....	66,623	176,829	Increase...	110,206
Total.....	\$8,776,353	\$9,674,307	" ..	\$897,955

We copy the following remarks from the report for 1865, which are necessary to elucidate some portions of the above statements:

* We have included in the receipts the amount of \$148,113 paid to this company by the Pittsburg, Ft. Wayne and Chicago Railway Company, which is our proportion of the joint earnings of the two roads beyond what was received directly by this company. It will be remembered that by the arrangement entered into between the two companies, each company retains its earnings, but a quarterly adjustment is made, and a division of the gross earnings of the two companies in the proportion of 78½ per cent to the Pittsburg, Ft. Wayne and Chicago Railway Company, and 26½ per cent to this company. In case either company has earned more than this proportion, the same proportion of the surplus is paid to the other company.

" This arrangement has been in operation two years and a-half, and the result thus far has shown its substantial fairness. The actual result of this division of earnings at during the two and a-half
Wayne and Chicago Railway they have received from us.
a sale of stock (2,000 shares,) that there has been expended of \$676,318. This expenditure, and the advantage will be
ness of the company.
degree, satisfactory. It will
statement of last year, that
and the unsecured indebted-

ness \$59,142. The mortgage indebtedness is now only \$8,860,624, and the unsecured indebtedness is so small that it could be paid at any time. No debts are unpaid which are due, and all the engagements of the company continue to be promptly met."

The following statement shows the length of road open, and its cost at the close of each of the last ten fiscal years, and the earnings, expenses, and profits yearly:

COST, EARNINGS, EXPENSES, ETC., YEARLY.

Fiscal years.	Miles of road.	Cost of road and equipm't.	Gross earnings.	Operating expenses.	Profits on net rev.	Div. p. c.
1855-56.....	173.0	\$7,835,140	\$629,972	\$298,630	\$331,342	21
1856-57.....	203.5	9,442,609	739,924	443,957	295,967	"
1857-58.....	203.5	9,320,289	772,093	439,999	332,094	"
1858-59.....	203.5	Not stated.	906,710	514,222	392,488	"
1859-60.....	203.5		1,020,633	564,497	456,141	"
1860-61.....	203.5	8,214,872	1,114,941	616,395	498,606	"
1861-62.....	203.5	7,836,095	1,436,317	662,065	774,252	"
1862-63.....	203.5	7,911,934	1,910,034	874,730	1,035,304	4
1863-64.....	203.5	8,454,040	2,512,315	1,505,636	1,006,679	5
1864-65.....	203.5	9,201,464	2,696,377	1,959,533	736,794	5

The statement which follows is a reduction of the above table to cost, etc., per mile, etc.:

PROPORTIONAL DEDUCTIONS.

Fiscal Year.	Cost of road per mile.	Per mile of road—			Expenses to Profits	
		Earnings.	Expenses.	Profits.	Earnings.	to cost.
1855-56.....	\$45,290	\$3,641	\$1,726	\$1,915	47.40	4.23
1856-57.....	46,410	3,636	2,181	1,455	59.98	3.13
1857-58.....	45,800	3,698	2,162	1,536	58.97	3.35
1858-59.....	45,800	4,455	2,527	1,928	56.72	4.21
1859-60.....	45,800	5,015	2,774	2,241	55.31	4.98
1860-61.....	40,875	5,479	3,028	2,451	55.29	6.07
1861-62.....	38,506	7,058	3,252	3,806	46.07	9.90
1862-63.....	38,809	9,381	4,298	5,083	45.81	13.10
1863-64.....	41,543	12,343	7,400	4,943	59.94	11.91
1864-65.....	45,609	13,250	9,629	3,621	72.67	7.94

The table following gives the range of prices at which the stock of this Company sold at the Stock Exchange at New York in each month of the five years ending with December, 1865:

RANGE OF PRICES OF STOCK.

	1861.	1862.	1863.	1864.	1865.
January.....	9 @10½	15½ @16½	56½ @ 73	105 @120	77½ @99½
February.....	8 @ 9½	16 @18½	65 @ 73½	110½ @119½	77½ @85
March.....	9 @ 9½	17½ @30½	64 @ 73	114½ @128½	51 @79½
April.....	8 @ 9	17 @18½	67½ @ 84	104 @133	57 @81½
May.....	7 @ 7	18½ @23½	82 @108	110½ @117½	55 @77½
June.....	7 @ 7	21½ @24	80 @ 97½	110½ @116	55 @64½
July.....	7 @ 9	21 @23½	82½ @ 97½	106 @114½	65 @71½
August.....	6½ @ 7	21½ @25	93½ @105	110 @114	65 @71½
September.....	7 @10	24 @36½	91 @102½	105½ @117½	70½ @73½
October.....	10½ @12½	34 @48	100½ @115	90 @107	72½ @83
November.....	11½ @14	36½ @42	99½ @112½	102 @109	80½ @97
December.....	12 @17	46 @59	100½ @109½	91½ @113	82 @94½
Year.....	6½ @17	15½ @59	56½ @111	90 @133	51 @99½

The history of this Company and Road is given recently in Vol. 53, No. 4, p.p. 282-287, October, 1865.

PHILADELPHIA, WILMINGTON AND BALTIMORE RAILROAD.

The Philadelphia, Wilmington and Baltimore Railroad constitutes one of the grand links in the chain of railroads forming a very direct line between New York and Washington, occupying the middle section thereof, extending between Philadelphia and Baltimore, a length of 95.95 miles. This chain is continued south and southwest from Washington and Alexandria by connecting roads to the principal seaboard

inland, gulf, and lower Mississippi towns, and at New York it connects with the great New England routes to the Eastern markets, and with the lines *via* Albany and Troy to Canada. As a separate and local road it connects the two largest Atlantic cities south of New York, and has branches and extensions into the Delaware peninsula for more than a hundred miles, and must ever remain the sole land outlet of that State and country south of it. A second track is now being laid down, to accommodate its increasing business, and already 58 miles of this are in operation. It has also 25 61 miles of side tracks. A branch is also being constructed from Havre de Grace to Port Deposit, on the Susquehanna, and a magnificent bridge is in rapid progress, at the first named place, across the river, which has hitherto been passed on a railroad steamboat transporting the loaded cars from shore to shore. The lines leased by this company are principally in Delaware, and are as follows:

Newcastle and Wilmington R.R.....	Wilmington to Newcastle.....	6.00 miles.
Newcastle and Frenchtown R.R.	Newcastle to Delaware Junct.....	6.00 "
Delaware Railroad.....	Del. Junct. to Delmar (station).....	84.00 "
Eastern Shore Railroad (Md).....	Delmar to Salisbury.....	6.50 "

Total lines in the Delaware Peninsula leased..... 102.50 miles.

The Southwark Railroad, which prolongs the main line into Philadelphia from South street to Queen street, 2.12 miles, is also leased by the company, which pays for its use 6 per cent on its cost of \$58 368.

The Newcastle and Wilmington Railroad was leased in 1852, the company to pay 7 per cent on its cost (\$150,000) for its use.

The Newcastle and Frenchtown Railroad, though included among the leased roads, is owned absolutely by the P. W. & B. Company, its stock having been exchanged for that of the latter. It formerly extended across the peninsula 16 miles.

The Delaware Railroad is operated under a lease made in 1856 and to run 21 years. This company pays 6 per cent per annum on its cost, and has lost largely on the contract.

The Eastern Shore Railroad is an extension of the Delaware Railroad into the eastern shore of Maryland. It has recently been completed to Princess Ann about 13 miles beyond Salisbury, and is progressing towards Anamessix Sound. Its total length from Delmar to the Sound will be 81½ miles, and when completed as projected the road will connect by steamboat with Norfolk and the neighboring ports.

In the following statement will be found a summary of the equipment and operations on the company's roads, their earnings, expenses, &c., and the financial condition of the company yearly:

EQUIPMENT—ENGINES AND CARS.

The number of locomotives, engines and cars owned by the company at the close of each of the last five years is stated in the following table:

	Loco- motives.	Cars on Roads				Miles run by engines
		Pas- seng'r.	Bag. &c.	Frgt.	Road. Total.	
1860-61.....	82	78	81	504	61	436,780
1861-62.....	87	77	83	630	61	582,615
1862-63.....	40	70	40	828	63	675,865
1863-64.....	49	76	87	948	88	780,537
1864-65.....	53	83	28	984	88	981,465

The number and mileage of passengers carried in each year are shown for the following five years:

	Passengers carried			Passengers carried one mile		
	Thro'	Local.	Total.	Through.	Local.	Total.
1860-61.....	129,476	499,622	629,476	12,688,648	15,499,873	28,128,521
1861-62.....	225,868	629,110	854,498	22,088,024	21,485,753	43,573,777
1862-63.....	260,457	781,504	1,071,961	23,464,786	25,236,683	54,301,469
1863-64.....	332,783	1,018,638	1,351,416	32,612,734	30,948,098	63,560,832
1864-65.....	401,843	984,078	1,385,921	39,380,614	38,410,548	77,791,162

The number of tons and mileage of freight carried yearly for five years were as follows :

	—Tons of Freight Carried—			—Tons of Freight Carried 1 mile—		
	Through.	Local.	Total.	Through.	Local.	Total.
1860-61.....	58,368	106,984	165,352	5,720,084	2,833,019	2,553,103
1861-62.....	70,520	105,452	175,972	6,910,974	5,252,477	12,163,451
1862-63.....	107,486	109,548	217,034	10,533,628	5,078,914	15,612,542
1863-64.....	107,606	122,692	240,298	10,545,835	5,872,865	16,418,700
1864-65.....	85,108	150,825	235,933	8,340,094	7,202,541	15,542,635

OPERATING ACCOUNTS—EARNINGS, EXPENSES, ETC.

The following statements show the earnings, expenses and profits of operating the road yearly for the seven years ending Oct. 31, 1865 :

Fiscal years.	—Gross Earnings P., W. & B. R.R.—				Earn'gs Gain on Aggregate		
	Passen'r.	Freight.	Other.	Total.	N. & F.	Del. R.R.	amount.
1858-59.....	\$718,071	\$238,795	\$58,088	\$1,014,954	\$21,195	\$.....	\$1,036,149
1859-60.....	831,306	317,569	61,724	1,210,598	25,999	.....	1,236,597
1860-61.....	1,067,275	363,553	63,848	1,494,676	22,308	.....	1,516,984
1861-62.....	1,645,025	506,350	72,304	2,223,579	27,283	.....	2,250,862
1862-63.....	1,834,134	527,985	188,129	2,540,248	34,010	.....	2,574,258
1863-64.....	2,423,089	598,682	182,779	3,204,550	51,605	46,976	3,303,131
1864-65.....	2,992,656	626,559	209,249	3,828,464	56,145	.....	3,884,609

From which the following payments were made :

Fiscal years.	—Oper'ng Exp—			Loss on New stock.	Interest account.	Divid's on st'k.	Sinking fund.	Balance of acct.
	P.W. & B.	N. & F.	Del. R.R.					
1858-59.....	\$412,071	\$21,582	\$20,007	\$.....	\$135,000	\$336,000	\$.....	\$101,659
1859-60.....	451,110	26,671	42,472	104,633	140,000	364,000	33,333	74,573
1860-61.....	513,791	24,893	53,060	97,045	155,212	364,000	46,667	292,817
1861-62.....	847,406	27,993	23,438	325,637	143,479	512,629	43,667	822,639
1862-63.....	942,754	27,948	5,637	471,046	84,606	690,077	53,333	236,555

						Susq'na bridge & 2d track.	De- ficit.
1863-64.....	1,467,920	28,269	.....	432,177	32,284	805,440	682,512
1864-65.....	2,223,909	45,216	2,716	565,965	45,174	932,347	510,768

"Interest account" includes interest on bonded debt, ground rents, etc., less interest received, being in fact the remainder paid after deducting the amount received.

The "balance of account" for the two last years was against this account—in 1863-64 to the amount of \$144,520, and in 1864-65 of \$431,466. These deficits were caused by charging to income the expenditures made in those years on the Susquehanna Bridge and the second track. Had these been charged to capital the surpluses would have been \$527,992 and \$79,282 respectively.

CONDENSED BALANCE SHEET.

The financial condition of the company, as exhibited on the balance sheet at the close of each fiscal year for the seven years ending October 31, 1865, is shown in the following statements :

	Capital stock.	Funded debt.	Current liabilities.	Credit of revenue.	Total amount.
1859.....	\$5,600,000	\$2,498,435	\$146,855	\$223,223	\$8,468,513
1860.....	5,600,000	2,469,800	174,252	220,690	8,464,742
1861.....	5,600,000	2,475,500	175,993	490,507	8,742,000
1862.....	5,620,500	2,599,000	274,709	1,014,197	9,508,406
1863.....	7,460,000	1,257,500	291,926	1,312,652	10,322,078
1864.....	8,657,300	832,000	450,682	1,168,652	11,114,514
1865.....	8,973,300	516,000	452,896	727,046	10,669,242

Against which are charged—

	Railroad & appurtenances.	R'l estate.	Assets. Stocks, &c.	Advances & Total	impr'em'ts.	amount.
1859.....	\$7,788,786	\$208,000	\$119,552	\$272,213	\$78,962	\$8,468,513
1860.....	7,786,444	205,650	139,898	279,375	63,377	8,464,742
1861.....	7,786,137	205,650	142,840	774,513	68,510	8,742,000
1862.....	7,724,350	205,650	646,111	872,092	80,203	9,508,406
1863.....	8,248,144	205,650	755,762	967,781	116,141	10,322,478
1864.....	9,106,920	205,650	598,662	1,042,148	161,154	11,114,514
1865.....	9,106,547	55,650	392,184	866,900	247,961	10,669,242

Under the head of "Railroad and appurtenances" is included \$744,520 being the stock of the Newcastle and Frenchtown Railroad Company exchanged for this company's stock.

The capital stock was increased by the issue of Oct. 1, 1864, \$786,200, and by conversions of the mortgage loan \$1,987,000. The mortgage loan originally \$2,600,000 has been reduced to \$496,000, 167 bonds having been redeemed and cancelled, and 1937 bonds converted as above into capital stock.

PROPORTIONAL DEDUCTIONS.

In the following table are shown the cost of the road per mile, the gross earnings, operating expenses, and profits per mile, the proportion of expenses to earnings, and of the profits to cost of road, with the rate of dividends on the share capital.

Fiscal Year.	Cost of Road per mile.	Earnings per mile.	Operating Expenses per mile.	Profits per mile.	Expenses to earnings.	Profits to cost of road.	Rate of Dividend.
1858-59	\$61,183	\$10,733	\$4,829	\$5,904	44.74	7.34	6 per cent.
1859-60	81,109	12,881	6,509	6,372	50.54	7.85	8½
1860-61	80,897	16,802	7,169	9,633	46.89	10.67	6½
1861-62	80,442	23,446	12,755	10,691	54.51	13.28	9
1862-63	87,585	26,815	15,077	11,738	58.95	13.40	10
1863-64	94,864	34,416	20,089	14,327	59.39	15.10	10
1864-65	94,864	40,464	29,500	10,964	73.16	11.51	10

The stock of this company is chiefly owned in Boston, and sales are seldom made in other than the Boston market. The following table shows the monthly and yearly range of prices on a par of \$50 per share.

PRICES OF STOCK AT BOSTON—DIVIDENDS, APRIL AND OCTOBER.

	1863.	1864.	1865.
January	59½@60½	65 @68	68½@72½
February	66½@70½	67½@71½	67½@68½
March	67 @73	70½@74	60 @68
April	67½@70½	71½@77	64½@69
May	68½@74½	70½@74	58½@63½
June	67 @73	74 @75	58½@60
July	68½@72½	72 @75½	60 @66½
August	65½@72	74½@74½	65 @66½
September	67½@69½	65 @74½	61 @66
October	67½@69	63½@65	60½@63
November	66½@68½	63½@68½	58½@61½
December	65 @67½	67½@68½	69½@60
Year	59½@74½	68½@77	58½@73
Equivalent, \$100 shares	119½@149½	1 @154	116½@144

The Philadelphia, Wilmington & Baltimore Railroad Company is a consolidation of four original companies, viz.: the Philadelphia & Delaware County, chartered by Pennsylvania, April 2, 1831, the Wilmington & Susquehanna, chartered by Maryland, chartered also by Maryland,

Delaware County Railroad Company, Wilmington & Baltimore; and in and the Delaware & Maryland Wilmington & Susquehanna Railroad more & Port Deposit Company the title of Philadelphia, Wil-railroad between Philadelphia

had commenced, and partially

completed their roads. The Philadelphia & Delaware County had completed their road in 1837. The Baltimore & Port Deposit had opened their road from Baltimore to Havre de Grace, having changed their northern terminus from its original locality. In the same year the Delaware & Maryland Railroad was completed. In 1838 the viaduct over the Schuylkill river was finished, and a connection opened to Philadelphia by means of the Southwark Railroad.

In 1840 the Newcastle & Frenchtown Railroad Company was merged into the Philadelphia, Wilmington & Baltimore Company by an exchange of stocks. It was chartered by Delaware, Feb. 7, 1829, and the road constructed in 1830-31. It originally extended from Newcastle 85 miles below Philadelphia to Frenchtown on Elk River, one of the head streams of Chesapeake Bay; and in connection with steamboats on the Delaware & Chesapeake for many years formed a part of one of the principal routes between the North and South. Since the completion of the Newcastle & Wilmington Railroad, however, the steamboat connections have been discontinued, and that portion of the railroad west of Delaware Junction has been taken up. Its original cost was about \$700,000.

Of the Delaware Railroad and its extension into Maryland we have heretofore alluded. These form a main trunk line through the State of Delaware and part of Maryland, and will be extended at no distant date to the extremity of the peninsula. Several railroads are also projected and in progress from this trunk line to points on the opposite waters.

Of late years, especially during the late war, the business of the Company has been largely increased, and large expenditures have been made to accommodate it. A bridge is also being built over the Susquehanna at Havre de Grace which will do away with the steam ferry now used for crossing. A branch is also to be constructed from Havre de Grace to Port Deposit. The second track now being laid down will probably be completed during the present year. With these improvements the road will be one of the more complete in the Union, and being in the direct North and South line of travel must ever be one of the most frequented and remunerative.

The quotations of its stock in the markets is an ample testimony to the ability and faithfulness of those who have the management of the Company's affairs. In 1863 the profits from operations reached 15 per cent on the cost of the road; and for the past three to four years the stock has received ten per cent dividends.

NORTHERN CENTRAL RAILWAY.

The Northern Central Railway runs almost due north from Baltimore, Md., to Sunbury, Pa., and with its connections forms a through route to Lake Ontario, via Rochester. It is intersected by several important roads which connect it with the coal fields, and near Harrisburg it connects with the Pennsylvania Railroad, to which passengers and freight are transferred for Pittsburg and the Northwest, and at Sunbury with the Philadelphia and Erie Railroad, now open to Lake Erie. The constituents of this road are as follows:

Main line—Baltimore to Sunbury.....	miles	127
Branch line—Rockdale to Canton.....		4
		—
Total length of route owned by company.....		131
Second track, 56 miles, and sidings, 86 miles.		
Leased roads—Wrightsville, York, and Gettysburg R. R.....	miles	13
do Shamokin Valley and Pottsville Railroad.....		28
do Elmira and Williamsport Railroad.....		78—
		119
Total length of route owned, leased, and operated.....		250

The Philadelphia and Erie Railroad is used between Sunbury and Williamsport as a connecting link between the main line and the Elmira Railroad.

EQUIPMENT—ENGINES AND CARS.

The following table gives the number of engines and cars owned by the company on the 31st December, yearly :

	Loco- motives.	Pass.	Bag, &c.	Freight.	Coal.	Others.	Total.
1859.....	41	81	8	921	785	..	1,745
1860.....	41	81	8	980	785	..	1,754
1861.....	41	80	10	656	744	..	1,440
1862.....	51	80	13	781	801	6	1,612
1863.....	53	29	17	806	947	8	1,847
1864.....	68	47	23	1,319	2,189	18	3,539
1865.....	97	53	27	1,947	2,061	14	3,401

In 1865 the engines were distributed as follows: 60 on the Northern Central Railroad, 18 on the Elmira and Williamsport Railroad, and 9 on the Shamokin Valley line. A due proportion of cars are on each of these lines.

OPERATING ACCOUNTS—RECKITS, EXPENSES, ETC.

The following statements exhibit the gross earnings, the operating expenses, and the resulting profits yearly, for 1859-65, both inclusive. The gross earnings were as follows:

Fiscal years.	Northern Central and Branch.				Total	Shamokin Division.	Elmira Div.	Total amount.
	Pass.	Freight.	Milt'y.	Other.				
1859.....	\$252,095	\$645,764	\$.....	\$30,064	\$927,923	\$.....	\$.....	\$927,923
1860.....	268,583	669,180	.....	50,910	1,018,108	.....	.....	1,018,108
1861.....	269,769	605,450	896,885	95,980	1,417,977	.....	.....	1,417,977
1862.....	427,118	1,031,469	816,413	85,641	1,920,641	.....	.....	1,920,641
1863.....	592,676	1,263,561	807,739	141,472	2,807,448	144,728	297,391	2,749,567
1864.....	752,937	1,464,555	536,907	217,270	3,051,669	226,513	653,518	2,934,595
1865.....	899,539	1,731,330	438,018	249,633	3,337,597	316,498	500,973	4,285,068

The operating expenses and profits were as follows :

Fiscal years.	Operating expenses.				Profits from operations.			
	N. C. & br.	Sh'mk.	Elmira.	Total.	N. C. & br.	Shamk.	Elmira.	Total.
1859.....	\$589,012	\$.....	\$.....	\$589,012	\$340,516	\$.....	\$.....	\$340,516
1860.....	734,476	.....	.....	734,476	283,627	.....	.....	283,627
1861.....	681,833	.....	.....	681,833	730,145	.....	.....	730,145
1862.....	963,300	.....	.....	963,300	927,341	.....	.....	927,341
1863.....	1,686,897	57,616	224,422	1,968,935	690,581	87,112	72,909	730,602
1864.....	1,966,233	112,827	612,777	2,691,837	1,065,396	107,491	43,741	1,216,628
1865.....	2,299,219	200,422	754,345	3,254,086	1,023,347	116,006	*	970,969

With regard to the leased roads, it may be stated that while the Shamokin Valley Railroad has proved a paying concern, the Elmira and Williamsport Railroad has made (including rent) an annual loss to the company, viz, in 1863 to the amount of \$37,198, in 1864, \$21,259, and in 1865 \$248,371. Both are leased for 999 years—the first from Feb. 1, and the latter from May 1, 1863, at which dates respectively

The receipts from all sources were as follows :

Fiscal years.	Balance Jan. 1.	Rec'pts of earnings.	Interest, divi- dends &c.	Sinking fund.	San- dry ac- counts	Aug- mented capital.	Total amount.
1859.....	\$370,250	\$929,528	\$7,104	\$2,850	\$.....	\$.....	\$1,309,732
1860.....	412,164	1,018,103	10,191	.....	.....	.....	1,440,458
1861.....	847,901	1,417,977	8,808	28,833	7,816	.....	1,916,835
1862.....	872,179	1,920,641	8,716	227,005	5,712	.....	2,534,253
1863.....	777,849	2,564,208	26,486	.....	.....	.....	3,368,543
1864.....	260,974	3,908,328	26,177	.....	.....	1,084,800	5,280,279
1865.....	237,542	4,235,068	7,230	.....	.....	1,251,256	6,301,096

From which the following disbursements were made :

Fiscal years.	Oper- ating ex- penses.	Rents of leased roads.	Interest, disc't & exch'ge.	Sink- ing funds.	Divi- dends on stocks.	Construc- tion and equipm't.	Balance Dec. 31.
1859.....	\$592,215	\$18,064	\$284,065	\$10,224	\$.....	\$.....	\$412,164
1860.....	744,475	18,951	348,930	.....	.....	.....	347,901
1861.....	871,711	11,831	288,339	†167,184	.....	.....	372,179
1862.....	998,800	10,686	322,676	81,025	.....	.....	†1,176,506
1863.....	1,968,905	181,935	324,525	\$350,463	.....	261,235	260,974
1864.....	2,697,887	251,271	305,861	‡155,563	379,742	1,253,473	237,542
1865.....	3,264,086	258,965	320,547	53,000	345,779	1,400,035	.....

The financial condition of the company on the 31st December, yearly, for the last seven years, will be found in the following abstracts of the

CONDENSED BALANCE SHEET.

Close of years.	Share capital.	Funded debt.	Debt to Balti- more.	Bills, &c, pay- able.	Interest & divi- dends.	Operat- ing ac- counts.	Profit and loss.	Total amount.
1859.....	\$2,260,000	\$4,728,800	\$851,000	\$483,549	\$27,676	\$243,406	\$412,164	\$9,007,535
1860.....	2,260,000	5,040,300	850,000	240,615	103,227	309,808	347,901	9,041,851
1861.....	2,260,000	5,150,000	850,000	250,960	212,445	312,798	372,179	9,308,282
1862.....	2,260,000	5,150,000	850,000	5,524	96,630	299,851	1,176,506	9,308,282
1863.....	2,260,000	4,850,000	850,000	182,611	123,008	788,721	1,291,230	10,346,233
1864.....	3,344,860	4,850,000	850,000	150,000	181,935	1122,630	600,132	11,099,557
1865.....	4,518,500	4,850,000	861,244	528,560	236,373	866,922	682,887	12,044,441

Against which are charged the following :

Close of year.	Railroad & appur- tenances	Sink- ing funds.	Stock and bonds.	Mat'als and supplies.	Due f'm United States.	Cash on hand.	Operat- ing ac- counts.	Total amount.
1859.....	\$3,244,635	\$277,640	\$251,678	\$37,580	\$.....	\$166,052	\$.....	\$3,916,985
1860.....	3,409,505	277,640	214,998	62,429	.....	77,279	.....	3,964,851
1861.....	3,228,731	86,157	458,548	64,865	212,452	90,265	177,424	3,338,442
1862.....	3,409,577	249,640	468,188	70,043	319,004	106,633	277,581	3,591,266
1863.....	3,690,812	300,103	496,896	271,051	164,383	229,612	193,875	4,046,632
1864.....	3,951,785	455,664	124,275	600,447	450,965	227,854	268,617	4,814,608
1865.....	10,351,880	538,430	123,775	333,150	245,005	297,219	159,868	11,049,947

Under a resolution of the stockholders, at an adjourned annual meeting April 15 1864, the stock of the company was ordered to be doubled, for the purpose of raising funds to pay for a second track and an increase of rolling stock, become necessary for the transaction of the increased business of the road. Previous to this all improvements, etc. had been charged to revenue, and which made it impossible to pay dividends. The new stock was subscribed chiefly by the old stockholders, and taken at par. The profits from operations are now paid to the stockholders.

PROPORTIONAL DEDUCTIONS.

The following table, reduced from the foregoing statements, exhibits the cost of the

* Includes \$477,668 balance of cash liabilities representing temporary loans contracted to pay claims of the city of Baltimore purchased by the company, viz., \$666,472, which although not appearing above, belongs to the disbursements of 1865.

† Chiefly back instalments now paid up.

‡ This sum is represented in next year's account as \$777,849, without any explanation, being an apparent error of \$399,217.

§ Including \$300,000 bonds paid.

|| Including \$100,000, a special appropriation by order of the Directors.

property of the company per mile, as measured by the mileage of the main line (138 miles); the earnings, expenses and profits per mile, the proportion held by expenses to earnings, and the ratio of profits to cost of road, etc. :

Fiscal Year.	Cost of road, &c., per mile.	—Amount per mile— Gross earn'gs.	Operat'g expen's.	Result'g profits.	Expenses to earn- ings.	Profits to cost of road.	Div'ds on st'k pr cnt.
1859.....	\$59,744	\$6,735	\$4,268	\$2,467	63.87	4.11	N/A
1860.....	60,938	7,877	5,322	2,055	72.14	3.87	do
1861.....	59,629	10,275	4,941	5,334	48.09	8.99	do
1862.....	60,939	13,917	7,197	6,720	51.71	11.08	do
1863.....	62,977	16,721	12,225	4,496	73.12	7.10	do
1864.....	64,868	22,113	14,243	7,865	64.89	12.12	8
1865.....	75,013	24,185	16,661	7,524	68.89	10.03	8

PRICES OF STOCK AT BALTIMORE 1863-1865.

The range of quotations for the stock of this company at Baltimore, (on a par of \$50) monthly and for the year, have been as follows :

	1863.	1864.	1865.
January.....	34 @39	43½ @45½	52 @53½
February.....	39½ @41	42½ @46	52 @54
March.....	39 @40	43½ @60	44 @45
April.....	35 @38	57 @61½	45 @45½
May.....	37½ @43	58 @62½	45 @47½
June.....	35 @43	59½ @61½	45 @45½
July.....	35 @41	58 @59	44½ @45
August.....	40 @40	57 @57	44½ @46
September.....	38½ @42	53 @52½	44½ @45
October.....	43 @48	50 @51½	44 @44½
November.....	41 @45	51½ @56	44 @44½
December.....	43 @44	54 @56½	44½ @45
Year.....	34 @48	42½ @62½	44 @54
Equivalent \$100 shares.....	68 @96	85 @125	88 @108

The Northern Central Railway Company is a consolidation of the Baltimore and Susquehanna, the York and Maryland line, the York and Cumberland and the Susquehanna companies.

The Baltimore and Susquehanna Railroad Company was chartered by Maryland March 13, 1828, with authority to construct a railroad from Baltimore to the State line of Pennsylvania. Construction was commenced in the following year, and the road to Relay House, about seven miles north from Baltimore, completed and opened for traffic July 4, 1831, and to Timonium, 11 miles, Oct. 16, 1832. In the same year the Westminster Branch to Owipg's Mills, nine miles, was brought into use. The section from Timonium to the State line, about 25 miles, was commenced in May, 1835, and completed in the early part of 1838.

The York and Maryland Line Railroad Company was chartered by Pennsylvania, March 14, 1842, and the road, 22 miles long, completed in August, 1838. This road was wholly constructed and owned by the Maryland Company.

The York and Cumberland Railroad Company was chartered by Pennsylvania April 21, 1846, to construct a road from York to Bridgeport. Work was commenced in 1840, and the road, 27 miles long, completed in February, 1851.

These several roads were operated by the Baltimore and Susquehanna Company, and formed a continuous line from Baltimore to Bridgeport, a distance of 84 miles. The company also operated, from the date of its completion in April, 1840, the Wrightsville, York and Gettysburg Railroad; also the Westminster Branch road, and for several years the Hanover Branch Railroad.

The Susquehanna Railroad Company was chartered in Pennsylvania, April 14, but no portion of the road was completed before the consolidation.

The acts authorizing the consolidation of the above companies were passed—in Maryland, March 10, and in Pennsylvania May 3, 1854—and the name was consummated

December 4 of the same year. The consolidation became operative Jan. 1, 1855. To complete the Susquehanna division of the line from Bridgeport to Sunbury, and to extend the same from Baltimore to a junction with the Philadelphia, Wilmington and Baltimore Railroad at Canton, were the first undertakings of the consolidated company. Construction was commenced on the former in the Spring of 1856, and road completed and opened for business, from Dauphin to Millersburg, Jan. 1, 1857, to Trenton July 1, 1857, and to Sunbury August 1, 1858. The section between Bridgeport and Dauphin, including the bridge over the Susquehanna, was completed early in 1858. The Canton Branch was opened early in 1859. In the Spring of the last named year a telegraph was erected along the line from Sunbury to Bridgeport, and in the fall between Bridgeport and Baltimore.

Thus the whole road had been opened at the beginning of the period embraced in the statement given in the foregoing tabulations. The road, however, was defective, both as to condition and rolling stock, and the earnings, which ought to have been distributed to the stockholders, were necessarily directed to complete and furnish it. Improvements were undertaken, and the road placed in as good a condition as the means of the company would allow of. The vast development of its business during the late war, however, required immediate accommodation, and hence it became necessary to obtain enlarged means. Under these circumstances the company duplicated the share capital, increasing it from \$2,600,000 to \$5,200,000. This sum was applied, partly to furnishing the road with a second track, and partly to an increase of engines and cars. Large outlays, however, are still necessary to bring the work into an economic working condition, and these are being made as rapidly as circumstances will permit of.

In 1863 the company entered into contract of lease with the Shamokin Valley and Pottsville and the Elmira and Williamsport Companies, leasing both their roads for 999 years. These are now operated by the company with great advantage to their general business. Through the road of the last named company a through route is formed from Baltimore to Elmira and Rochester.

In the early days of the war the road and property of the company were seriously damaged by the insurgents.

SOUTH CAROLINA RAILROAD.

We have before us the report of the South Carolina Railroad Company for the year ending Dec. 31, 1865. This road, in common with all others in the South, suffered severely during the war. In the Spring of 1865, the destruction of property by the forces under Sherman completely closed it to traffic. Road, buildings and equipments were overwhelmed in the general wreck.

The losses sustained by this company are thus summed up in the report:

Depots, machine shops, tools, etc.....	\$12,79
Seventy-nine miles of road, bridges, etc., (estimated cost to restore).....	541,351
111 negroes emancipated.....	120,973
Cars and locomotives.....	410,031
Materials and machinery.....	261,000
Total loss of property.....	\$1,625,114

The above are exclusive of the loss of assets, amounting to the nominal value of \$3,612,946; and by the increased indebtedness of the company, equivalent to a loss on account of interest on debt, amounting, Dec. 31, 1865, to \$195,792.

The debt of the company, as it stood at the end of 1865, was as follows :

Sterling bonds, due Jan. 1, 1866.....	\$2,000,000
Domestic or dollar bonds.....	1,071,000
Total original debt.....	\$3,071,000
Interest due Dec. 31, 1865, viz :	
On sterling bonds.....	\$362,167
On domestic bonds.....	183,632
	<hr/> 495,799
Total debt to be provided for.....	\$3,566,799

Of the domestic bonds, \$234,000 are past due, and the remainder is payable —\$101,000 Jan. 1, and \$86,000 Oct. 1, 1868; \$400,000 in equal annual instalments April 1st, 1869, '70, '71 and '72, and \$250,000, one-half Jan. 1, 1873, and one-half Jan. 1, 1874.

It thus appears that the whole of the sterling (\$2,000,000), and nearly a fourth part of the domestic debt are past due; and to these principal sums must be added the accumulated interest, \$495,799, making a total of \$2,729,799 requiring immediate liquidation.

What the company has already done, and what they propose to do in relation to their indebtedness, is thus stated by the Board of Directors:

"In anticipation of the maturity of the foreign debt, application was made to the Legislature of the State for a renewal of the State's guarantee upon the new bonds they designed to recommend to the stockholders to offer to the bondholders in substitution of those past due and the accrued interest. An act was accordingly passed authorizing the endorsement of the State's guarantee. The agents in England of the foreign bondholders have been notified of the passage of the act and of the company's view of the best mode of arranging the debt. The plan at present contemplated is as follows: 1. To substitute new bonds for the old, due at the same time and same rate of interest, that is to say, at 20 years, and at the rate of five per cent per annum. 2. To fund the accrued interest to Jan. 1, 1866, at the same time and rate of interest as the principal of the debt; and—3. To provide by regular semi-annual payments, out of earnings, for the retirement of the entire sum at maturity. The domestic debt, in the matter both of principal and accrued interest, the Board propose to meet precisely as they expect to do with the foreign debt. These arrangements, however, will necessarily wait upon the conclusion of negotiations abroad."

The present condition of the company's affairs is thus summed up in the general balance sheet:

Capital stock, Dec. 31, 1860.....	\$3,879,475
New shares (38,796 at \$50).....	1,939,800
	<hr/> \$5,819,275
Bonded debt, as above stated.....	3,071,000
Bills payable.....	44,823
Change notes.....	1,971
Coupons, as above stated.....	495,799
Pay rolls.....	1,460
Transient creditors.....	167,486
Net income (after paying for coupons), June 19 to Dec. 31, 1865.....	196,986
Total.....	<hr/> \$9,798,557
Against which are charged—	
Road, depots, &c., Dec. 31, 1864.....	\$7,116,499
Deduct estimated cost of property destroyed in 1865.....	668,110
	<hr/> \$6,450,389
Railroad.....	425,879
Locomotives and cars.....	466,409
Machinery and tools.....	197,418
Supply of materials, &c.....	71,308
Materials, &c., to arrive.....	91,068
Restoration of property.....	835,781
Bills and bonds receivable, cash, &c.....	145,165

Stocks, steamship companies.....		17,571
" railroad		261,535
Open accounts and transient debtors.....		57,420
Loss of property.....	\$1,629,114	
Loss of assets.....	3,612,946	
	<u>\$5,942,060</u>	
Less balance of surplus income, and net income from Jan. 1 to June 19, 1865.....	2,926,041—	1,316,019
Total.....		<u>\$9,798,557</u>

The report contains, besides the financial statements, of which the foregoing are abstracts, several statements in relation to the past business of the company. One of the most interesting of these statements shows the quantities of cotton, grain, live stock, &c., carried to Charleston by the South Carolina Railroad from 1844 to 1865 inclusive. In these 22 years we find that 5,411,971 bales of cotton were delivered in Charleston from the interior, an annual average of 245,998 bales, varying from the maximum in 1855, when it reached 479,554, to the minimum in 1864, when it was only 10,315 bales. In 1860 there were transported 314,619 bales; in 1861, 120,673; in 1862, 24,884; in 1863, 48,145; in 1864 (as above), 10,315; and in 1865, 35,596 bales. No flour is reported for the past two years of the series. The number of barrels from 1846 to 1865 was 828,377—ranging from 145,970 in 1857 to 125 in 1850. In the same period of time, 4,842,447 bushels of grain were delivered; in 1855, 817,662; in 1857, only 547. Yearly average, 217,122 bushels, &c., &c.

Nearly all these tables show that the business of the road was steadily on the increase from year to year up to the commencement of the war; and if the indications since the re-installment of the company are taken into consideration, there is every reason to anticipate a continuance of the same prosperous condition, especially when the country shall have recovered from the prostration of its industry caused by the war.

As principal indication of such a result, we may state that the earnings from June 19 to December 31, 1865, were much larger than could have been expected. Through this period of general prostration, with an incomplete road and wretched equipment, the gross earnings amounted to \$413,757; and after deducting operating expenses, and providing for the half year's interest on the company's debt, there was a remainder, or net income of \$196,985.

The restoration of the road and its equipment has been going on since the 19th of June, 1865. At that date the company was re-instated by the military authorities. The report gives ample detail of all these movements, which are interesting, but not suitable for these columns. By the end of the year the road had been restored as far west as Columbia. The Augusta Division was not re-opened until the commencement of the current month. About two-thirds of the ordinary number of engines and cars are now in use.

MR. McCULLOCH'S LETTER ON THE DISTRIBUTION OF NATIONAL CURRENCY.

The following is a letter of Mr. McCulloch, Secretary of the Treasury, to Senator Fessenden on the subject of distribution of the currency by withdrawing amounts issued to certain states above what they were entitled to receive, and issuing to other states and territories which have not received their proportion.

TREASURY DEPARTMENT,
WASHINGTON, D C., April 12, 1866.

DEAR SIR: Your note of the 10th instant, transmitting Senate bills No. 264 and No. 266, and asking for certain statistical information relative to the apportionment

of national currency, was duly received in accordance with your request, I hand you herewith a tabular statement showing the apportionment made, as directed ; also a list of banks, classified by States, which would be affected by the passage of Senate bill No. 254.

Senate bill No. 256 proposes to furnish circulation to those States and Territories which are not yet provided for, without exceeding the \$300,000,000 authorized by the act of June 3, 1864, by withdrawing the amount any State may have received over twenty dollars for each inhabitant. By reference to the accompanying statement, it will be ascertained that but three States have received or secured circulation in excess of this amount per capita, viz :

Massachusetts.....	\$39,446,818
Connecticut.....	10,144,660
Rhode Island.....	9,982,814
Making in all	59,573,887

Which would probably be enough to supply the deficiency in other States and Territories.

The bill is seemingly general in its provisions, but in effect it singles out these three States and reduces their circulation to a certain arbitrary standard. It practically says, " The circulation of National Banks in Massachusetts shall be diminished sixty per cent ; the circulation of National Banks in Connecticut shall be diminished fifty-two per cent ; and the circulation of National Banks in Rhode Island shall be diminished seventy-four per cent."

Apart from the imputations to which such a proposition would be liable, I think the principle upon which the reduction is based is not a correct one. There is no necessary or natural proportion existing between circulation and population. One hundred and seventy-five thousand of the rural population of Ohio and Illinois do not need a tenth part of the circulation required by the manufacturing and commercial community of Rhode Island. A well-to-do farmer may not receive for his products more than \$5,000 in the whole year, and a community of farmers require but little in the way of banking facilities ; but skill-d labor, capital, and machinery combined produce millions. The value of manufactures produced annually in Massachusetts exceeds by more than one hundred and forty per cent the combined manufactures of Illinois and Ohio, while the combined population of those States exceeds that of Massachusetts by more than two hundred and twenty-five per cent. Hence any fixed ratio between circulation and population is an arbitrary ratio, and impracticable.

Senate bill No. 254 is an amendment to section 21 of the present National Currency Act, and proposes to withdraw circulation from banks by reducing the ratio which it shall bear to capital. It will affect banks in all the States more or less, but by a certain fixed rule. The reduction is to be effected gradually, as the circulation becomes worn and mutilated is returned for redemption. The amount by which the circulation is to be thus diminished approximates \$25,000,000, and it is proposed, in anticipation of this reduction to authorize the issue of circulation to banks in States that have secured the least proportionate amount of circulation, as it may be needed.

If the committee shall determine that the reduction contemplated by bill No. 254 may properly be effected by virtue of the reserved right to "amend, alter, or repeal" the act of June 3, 1864, I trust they will report favorably on the bill under consideration.

I think it is important that solvent State banks should have an opportunity to become National Banks. Otherwise, by the operation of a law of the United States they will be compelled to wind up after the 1st day of July next

I also think it a matter of great importance that provision should be made to meet the wants of those States which have been in rebellion. Banking facilities are necessary to develop the industrial interests of the South, and to stimulate the protection of those staples which enter so largely into the financial interests of the country. At the same time it would be wise policy to afford the people of that section an opportunity to become pecuniarily interested in the successful maintenance of the Government of the United States ; and, inasmuch as Congress has assumed entire contrall of the currency of the country, and, to a very considerable extent, of its

banking interests, prohibiting the interference of State Governments, it would seem to be the plain duty of Congress to make adequate provision to meet the business wants of all sections of the country in the way of banking facilities.

Very respectfully, yours,

H. McCULLOCH, Secretary.

Hon. W. P. FESSENDEN,

Chairman Committee on Finance, United States Senate.

OFFICE OF COMPTROLLER OF THE CURRENCY,
TREASURY DEPARTMENT, WASHINGTON, April 12, 1862.

DEAR SIR: Your communication of the 10th instant, transmitting Senate bill 256, and asking for certain statistics relating to the apportionment of national currency, was duly received, and in accordance with your request I send you herewith a tabular statement, showing—

- 1st. The population of each State and Territory of the United States by the census of 1860.
- 2d. The circulation now authorized in each State and Territory.
- 3d. The amount of such circulation to each inhabitant of each State and Territory.
- 4th. The apportionment of one hundred and fifty millions of the circulation authorized by law to the several States and Territories according to population by the census of 1860.
- 5th. The States have secured circulation in excess of twenty dollars for each inhabitant.

I also enclose a list of the banks, classified by States, which would be affected by the amendment proposed by Mr. Fessenden, which I respectfully submit.

It will be observed that but three States have received or secured circulation in excess of \$20 *per capita*—Massachusetts, Connecticut and Rhode Island—the three having an aggregate excess of \$59,573,837.

The withdrawal of this sum would of necessity be severely felt. The fact that it is proposed to be withdrawn proceeds upon the supposition that a circulation of \$20 for each inhabitant is sufficient for the business wants of those States. This suggests the inquiry whether population is the proper basis for circulation. If the people were all engaged in the same kind of business, it might be correct, but even then it would be desirable to know *how much business* was carried on in any particular State before the amount of circulation for that State could be determined. But if you take into account the various branches of industry, and the extent to which they are carried in the different States, it will be evident that circulation should not be apportioned according to population alone. In point of population Illinois is the fourth State in the Union, and Connecticut is the twelfth; yet Connecticut produces manufactures to the amount of \$82,000,000 annually, and Illinois but \$58,000,000. Ohio is the third State, and Massachusetts the sixth; but while the product of Ohio manufactures is but \$122,000,000 per annum, Massachusetts produces annually \$258,000,000. An agricultural population does not require so large a circulation as a commercial or manufacturing community. The tabular statement which I send you shows that Rhode Island has the largest *per capita* circulation of any State in the Union, but Rhode Island does nearly one-third more business in proportion to its size than Massachusetts, and needs a larger proportionate circulation.

The question which you have under consideration is one in which I take considerable interest, which must be my apology for saying as much as I have as to the manner in which it would be advisable to effect a reduction. I believe the withdrawal of circulation from existing banks is not favored by Mr. Clarke in any shape. In his absence I do not propose to express any opinion as to the main question, but merely to offer a suggestion as to the manner of effecting the object proposed by your bill.

I have the honor to be, very respectfully, yours

H. R. HULBURD,

Deputy Comptroller

Hon. JOHN SHERMAN, United States Senate.

List of banks showing reduction of circulation under amendment proposed by Senate bill No. 24.

MAINE.—First National Bank of Portland \$65,000.

VERMONT.—First National Bank of North Bennington \$50,000.

MASSACHUSETTS.—First National Bank of Boston \$100,000, National Bank of the Republic Boston, \$100,000, Boston North Bank \$75,000, Hide and Leather Bank, Boston \$100,000, Merchants' Bank, Boston \$750,000, Market Bank, Boston \$80,000, Blackstone Bank, Boston \$100,000, Redemption Bank, Boston \$100,000, Continental Bank, Boston \$50,000, North Bank, Boston \$100,000, Exchange Bank, Boston \$100,000, Eliot Bank, Boston \$100,000, Boylston Bank, Boston \$50,000, Commerce Bank, Boston \$300,000, Howard National Bank of Boston \$50,000, Shawmut Bank, Boston \$75,000, Washington Bank, Boston \$75,000, Hamilton Bank, Boston \$50,000, Globe Bank, Boston \$100,000, New England Bank, Boston \$100,000, City Bank, Boston \$100,000, Tremont Bank, Boston \$300,000, Suffolk Bank, Boston \$225,000, Atlantic Bank, Boston \$50,000, Shoe and Leather Bank, Boston \$100,000, Atlas Bank, Boston \$100,000, Freeman's Bank, Boston \$40,000, North America Bank, Boston \$75,000, Maverick Bank, Boston \$40,000, Massachusetts Bank, Boston \$50,000, Union Bank, Boston \$100,000, Eagle Bank, Boston \$100,000, Old Bank, Boston \$50,000, Montgomery National Bank of Norristown \$40,000, State National Bank of Boston \$30,000, Columbian Bank of Boston \$100,000, First National Bank of Fall River \$40,000, Third National Bank of Springfield \$50,000, Second National Bank of Boston \$100,000, First National Bank of Northampton \$40,000, Worcester National Bank \$50,000, City National Bank, Worcester \$40,000, Fall River National Bank \$40,000, Ware National Bank \$35,000, Asiatic National Bank, Salem \$31,500, Bunker National Bank, Charlestown \$50,000, Naumkeag National Bank, Salem \$50,000, Bristol County National Bank, Taunton \$50,000, Bay State National Bank, Lawrence \$37,500, Northampton National Bank \$40,000, Adams National Bank, North Adams \$35,000, Pittsfield National Bank \$50,000, Mechanics' National Bank, Worcester \$35,000.
Total, \$5,169,000.

RHODE ISLAND.—Second National Bank of Providence \$50,000, Third National Bank of Providence \$40,000, Fourth National Bank of Providence \$35,000, Phoenix National Bank, Providence \$45,000, Mechanics' National Bank, Providence \$50,000, Eagle National Bank Providence \$50,000, North American National Bank Providence \$87,300, Merchants' National Bank Providence \$93,950, Old National Bank, Providence \$50,000, Weybosset National Bank, Providence \$50,000, Manufacturers' National Bank Providence \$50,000, City National Bank Providence \$45,000. Total \$646,250.

CONNECTICUT.—First National Bank of New Haven \$50,000, First National Bank of Hartford \$50,000, Second National Bank of New Haven \$100,000, Exchange National Bank Hartford \$50,000, First National Bank of Norwich \$50,000, Charter Oak National Bank, Hartford \$50,000, Thames National Bank, Norwich \$100,000, Phoenix National Bank Hartford \$152,610, Waterbury National Bank \$50,000, Yale National Bank New Haven \$50,000, Middlesex County National Bank Middletown \$35,000, Commercial National Bank Bridgeport \$33,210, Danbury National Bank \$34,700, Merchants' National Bank New Haven \$50,000, Middletown National Bank \$36,930, National New Haven Bank \$46,480, New Haven Co. Nat. Bank \$35,000.—Total \$971,930.

NEW YORK.—First National Bank of City of New York \$50,000, Third \$100,000, Fourth \$1,000,000, Mercantile National \$100,000, Tenth \$100,000, Central \$750,000, Ninth \$100,000, Broadway \$100,000, Commerce \$2,000,000, American \$50,000, Park \$300,000, Tradesmen's \$100,000, Shoe and Leather \$225,000, Market \$100,000, St. Nicholas \$100,000, Seventh Ward \$50,000, Republic \$300,000, Mechanics' \$50,000, Merchants' Exchange \$185,250, Metropolitan \$50,000, Marine \$40,000, Ocean \$100,000, National Bank of Newburgh \$80,000, Troy City \$50,000, Fallkill National Bank \$40,000, First National Bank of Poughkeepsie \$40,000, First Brooklyn \$50,000, Highland, of Newburgh \$45,000, Union, of Albany \$50,000, New York State, of Albany \$35,000, Union, of Rochester \$40,000, Albany City \$50,000, Commercial, of Albany \$50,000, Mechanics and Farmers' of Albany \$35,000, Farmers' and Manufacturers', of Poughkeepsie \$40,000, Lake Ontario, of Oswego, \$32,500, Oneida, of Utica \$40,000.—Total \$7,373,750.

PENNSYLVANIA.—First National of Philadelphia \$100,000, Farmers' and Mechanics' \$200,000, Philadelphia National Bank \$225,000, Pennsylvania \$35,000, Northern Liberties \$50,000, Corn Exchange \$50,000, City \$40,000, Commercial \$81,000, Girard \$100,000, North American \$100,000, Mechanics' \$80,000, Merchants and Manufacturers' \$80,000, Columbian, \$50,000, Western \$40,000, Central \$75,000, Miners', of Pottsville, \$59,000, Pittsburgh National Bank of Commerce \$50,000, Iron City, of Pittsburgh, \$40,000, Tradesmen's \$40,000, Farmers' of Reading \$40,000, Mechanics' of Pittsburgh \$50,000, Allegheny, of do. \$50,000, People's, of Pittsburgh \$100,000, Exchange of Pittsburgh \$100,000, York National Bank \$50,000, First National of Pittsburgh \$50,000, Citizens of Pittsburgh \$50,000, Farmers' of Lancaster \$45,000, First National of Easton \$40,000, Easton \$40,000, First Mauch Chunk \$40,000, First National of Pittsburgh \$50,000, Second Wilkesbarre \$40,000, First Allegheny \$35,000, Third of Pittsburgh, \$40,000.—Total \$2,406,000.

OHIO.—Third National Bank Cincinnati, \$50,000, First National Bank Cincinnati \$100,000, Commercial National Bank Cincinnati \$50,000, Central National Bank Cincinnati \$50,000, Ohio National Bank Cincinnati \$50,000, Merchants' National Bank of Cleveland \$50,000, Merchants' National Bank of Cincinnati \$50,000. Total \$400,000.

INDIANA.—Indiana National Bank of Indianapolis \$40,000, Merchants' National Bank of Evansville \$35,000, First National Bank of Evansville \$50,000, First National Bank of Indianapolis \$50,000, Indianapolis National Bank \$50,000. Total \$225,000.

ILLINOIS.—Union National Bank of Chicago \$50,000, Fifth National Bank of Chicago \$50,000, Western National Bank of Chicago \$50,000, First National Bank of Chicago \$100,000, Third National Bank of Chicago \$75,000, Merchants' National Bank of Chicago \$45,000. Total \$370,000.

MARYLAND.—First National Bank of Baltimore \$166,500, Second National Bank of Baltimore \$35,000, Citizens' National Bank of Baltimore \$50,000, National Bank of Baltimore \$181,605, Union Bank of Maryland Baltimore \$188,810, Farmers and Planters' Bank Baltimore \$80,000, Western Bank Baltimore \$50,000, Merchants' Bank of Baltimore \$225,000, Farmers and Merchants' Bank of Baltimore \$65,000. Total \$1,041,915.

NEW JERSEY.—Newark City National Bank \$35,000, Mechanics' Bank of Newark \$50,000, Newark Banking Company \$50,000, Mechanics' Bank of Trenton \$35,000, National State Bank of Elizabeth \$40,000, First National Bank of Jersey City \$40,000, First National Bank of Trenton \$50,000. Total \$310,000.

KENTUCKY.—First National Bank of Covington \$50,000.

DISTRICT OF COLUMBIA.—First National Bank of Washington \$50,000, Metropolitan Bank of Washington \$35,000. Total \$85,000.

MISSOURI.—Union Bank of St. Louis \$50,000, Merchants' Bank of St. Louis \$70,000, Third National Bank of St. Louis \$157,350. Total \$277,350.

LOUISIANA.—First National Bank of New Orleans \$50,000, National Bank of New Orleans \$100,000. Total \$150,000.

DELAWARE.—First National Bank of Wilmington \$40,000.

WEST VIRGINIA.—Merchants' Bank of West Virginia Wheeling \$50,000.

GEORGIA.—National Bank of Augusta 50,000.

MICHIGAN.—First National Bank of Detroit \$100,000.

Aggregate reduction of circulation under amendment proposed by Senate Bill No. 254 \$19,795,195.

In addition to the foregoing, banks received circulation equal in amount to their capital before the amendment of March 8, 1865, took effect, which would be withdrawn under the proposed reduction, as follows, viz:

New Hampshire	\$16,000	Ohio	\$143,220
Vermont	56,800	Indiana	39,200
Massachusetts	119,675	Iowa	14,500
Rhode Island	28,000	Illinois	87,900
Connecticut	119,500	Michigan	4,500
New York	426,880	Wisconsin	12,500
New Jersey	49,920	Minnesota	52,000
Pennsylvania	174,000		
Maryland	85,000		1,834,095
Virginia	5,000		

The total amount to be withdrawn from each State would be as follows:

Maine	\$65,000	West Virginia.....	\$50,000
New Hampshire...	16,000	Ohio	642,250
Vermont.....	160,800	Indiana.....	264,900
Massachusetts	5,288,675	Illinois	407,900
Rhode Island	674,250	Michigan.....	154,500
Connecticut	1,091,430	Wisconsin.....	12,500
New York	7,914,630	Iowa.....	14,500
New Jersey.....	359,920	Minnesota	52,000
Pennsylvania	2,580,000	Missouri	427,250
Maryland	1,076,915	Kentucky	50,000
Delaware	40,000	Louisiana.....	150,000
Dist. of Columbia.....	85,000	Georgia.....	150,000
Virginia	5,000		
Total.....			\$21,672,250

THE AUSTRO-PRUSSIAN WAR-CLOUD.

In every market of Europe the strained and ominous condition of political affairs in Germany is beginning to be very seriously felt. The outbreak of positive hostilities between the two great German powers, disastrous as its effects would be, could hardly produce a more wide-spread prostration, financial and commercial, than a protracted "devil's truce" like that which now actually exists, is sure to bring about. The exchequer of Prussia is certainly in a more favorable condition than that of her imperial rival, and the Prussian artillery is admitted to be superior to the Austrian, notwithstanding the severe lessons which the Court of Vienna received in regard to the increased importance of that arm of the military service, from the Napoleon guns of the French, during the late Italian war. But Austria has upon her side, not only the resources of a population more than double that of her ambitious and arrogant Northern rival, but the amazing good fortune also of the most obstinate, the most ill-advised, but the most successful ruling family of the world.

As in the Iliad, so in modern history, the favor of Venus seems to be more important even to warlike princes, than the friendship of Mars. The House of Hapsburg has won by the heart more than it has lost by the head for ages past; and it can hardly be called a vagary of superstition to suggest that if Austria goes into the impending European war, against every rule of reason and every counsel of prudence, she may very probably come out of it against every anticipation of sound judgment and common sense.

The Austrian finances can hardly be made worse by the most costly and exhausting war. Unless France and Russia should be dragged into the vortex of the strife, which, though it be possible, is no more likely, than it was in 1854 that Austria and Prussia should be drawn into the Crimean conflict, even an unsuccessful war with Prussia would hardly result in the loss of any of the German provinces, which are the true strength of the Austrian empire, while a successful war with Prussia would definitely give to the Court of Vienna a decisive and preponderating authority in the German confederation. Were Italy to become involved in the conflict, Austria might, indeed, suffer the loss of her trans-Alpine possessions; but that loss would be, in truth, a permanent gain to the empire; and there are statesmen in Vienna who are capable of regarding it as a special blessing that Austria should be enabled to surrender with honor a hold upon Venetia, which it wastes her best strength now to retain.

To be driven out of the Quadrilateral by the overwhelming force of a combined attack from two such powers as Italy and Prussia, one of them far more than a match for her by sea, and the other at least her equal by land, would inflict no serious damage upon the military prestige of Austria, while it would put her into a position to carry out that process of temperate centralization in which lies her hope for the future, and in which it is beginning to be clear that she may count upon the aid and co-operation of the most intelligent and influential classes, not in her German provinces only, but throughout Hungary, Croatia, Transylvania, and Galicia also.

So long as Austria retains her Venetian dominions the reactionary military element must keep its place in her councils to the grave detriment of her best interests. Relieved from this incubus upon her progress there is no reason for her to despair of a rapid advance to a commercial and financial rank proportionate to her enormous natural wealth and to the importance of her geographical position, an importance of which the extraordinary recent growth of her Adriatic port of Trieste gives us not indeed an adequate measure but a most significant indication.

The rumors of a practical alliance between Prussia and France for the dismemberment and prostration of Austria are as improbable as are the stories of a similar alliance for a similar end between Russia and Prussia. France indeed may desire to see Prussia so far successful in an attack upon Austria as would justify Napoleon in declaring that the safety of France requires the "recuification" of the French frontier upon the Rhine, precisely as the consolidation of Italy required the "rectification" of the French frontier upon the Alps; but it is as absurd to suppose that a French sovereign will seriously contribute to the concentration of thirty millions of Germans under the Prussian crown, as it is to suppose that a Russian sovereign can desire to see Austria crowded out of Germany and forced into becoming an overwhelmingly Oriental Power.

The quarrel of the German Powers is indeed the opportunity of their formidable neighbors; but it is the opportunity not of one nor two but of all of those neighbors, and from this simple fact it results that however severely the storm may rage for a time, it is tolerably certain at the end to leave neither of the States engaged, seriously and permanently weakened to the permanent and serious advantage of the other. For while France necessarily wishes to see Austria maintain a position from which she can act as a permanent check upon the consolidation of Germany, it is important to Russia that Prussia should be always strong enough to thwart any possible Austrian attempt at territorial aggrandizement in the direction either of the Elba or the Danube. The conflicting ambitions of France, Italy and Russia, therefore, may be relied upon to neutralize each other so far as to make it the common interest of all these powers to prevent either Prussia or Austria from being absolutely victorious or absolutely crushed in their imminent collision.

There will be a terrible waste of money and of men on both sides. Italy, probably, and possibly France may gain positive accessions of territory in the final adjustment of the consequences of the war. Prussia will pretty certainly miss that prize of imperial aggrandizement which the reckless and unscrupulous Count Bismark seems to have set his heart upon winning for her; while Austria, if she is forced to surren-

der Venetia, may eventually learn to regard that loss alone as a handsome return for all the treasure and blood invested by her in a war the prospect of which amazes and disgusts all Europe, so scandalous were the circumstances which first made it possible, and so disgraceful have been the folly and perverseness which have developed that original possibility into the most alarming probability of the hour.

THE STATE TAX ON SALES.

The commercial public are taken by surprise with the discovery that, at the late session of the Legislature, a bill was passed imposing heavy taxes upon transactions of brokers and auctioneers. The measure was smuggled through with a secrecy which indicates that its promoters were afraid to have it submitted to the test of public opinion, and with a suddenness which shows that it was deemed unsafe to admit the discussion of its merits. The main features of the bill consist in the imposition of the following rates of duty upon the sales of brokers and auctioneers:

First—All wines and ardent spirits, foreign or domestic, at the rate of \$1 on every \$100.

Second—All goods, wares, merchandise and effects imported from any place beyond the Cape of Good Hope, at the rate of fifty cents on every \$100.

Third—All other goods, wares, merchandise or effects which are the production of any foreign country, at the rate of seventy-five cents on every \$100.

Probably the sales and resales at New York of the classes of commodities here subjected to tax will not aggregate below \$600,000,000 per annum. On a large proportion of the products the wholesale profits are very light; so that a tax of $\frac{1}{2}$ @1 per cent amounts to a serious drawback upon the gains of the merchant. The duty would, of course, have to be charged by the agent upon the buyer or seller. If upon the seller, he would find it unremunerative to continue his business, and would either remove to some place where he could supply his customers free from the tax, or employ his capital in some other manner. If upon the buyer, he would prefer making his purchases at Boston or Philadelphia, where commerce is free from such imposts. In either case, the trade of New York would inevitably be seriously damaged. A duty of $\frac{1}{2}$ @1 per cent upon wholesale transactions is quite sufficient to render an important proportion of the trade of this city unprofitable; and having that effect, its ultimate result would be to banish a large amount of our business to other cities. For years, Boston held a comparative monopoly of the trade in Eastern products; the municipal authorities imposed a tax of $\frac{1}{4}$ per cent upon sales of teas, and ever since, that important trade has been held by New York merchants. The policy of our own Legislature is to drive that branch of commerce, and other branches along with it, back again to Boston, by the imposition of a duty double that which banished it from thence. In the foreign wool trade there has always been a close competition between this city and Boston. The New England metropolis has an important advantage in being nearer to the manufacturers of that section than New York, and it has been only by dint of superior enterprise that the wool brokers of

this city have been able to secure the lion's share of this important branch of commerce. The Eastern manufacturers, aware that they must pay $\frac{1}{2} @ \frac{3}{4}$ per cent more here than at Boston, may, of course, be expected to give the preference to the Boston market. There are mills in New England which give their half million orders for wool; can those buyers be expected to come into this market when they are aware that, upon their purchase, they must pay to the State three or four thousand dollars? In this city there is sold, annually, not less than \$25,000,000 of dry goods at public auction. By the removal of these goods to Philadelphia or Boston for sale, the importers could save about \$200,000 of duty; is it to be supposed that such an important economy would not induce the selling of a large amount of dry goods at those cities? And would not the increase of auctions at those places, tend to divert thither much of the private trade in foreign dry goods of which we have now almost an exclusive advantage? The new duties may be shown to operate similarly in the case of all the leading branches of our foreign commerce. These allusions serve to show that the enforcement of this law must result in incalculable injury to the commerce of this port. Indeed, had the problem before the Legislature been, how to banish trade from New York to the competing cities of New England and Pennsylvania, no better solution could have been given than this very measure.

We are at a loss to conceive what motive can have led to the adoption of this suicidal act. If it be supposed that the aim was simply revenue, then it is difficult to conceive that a body of men, undertaking to legislate for the largest and wealthiest State on the Continent, could be so utterly ignorant as not to perceive that the measure is fraught with the most serious danger to our commerce. If we assume that the object sought was the multiplication of lucrative offices for politicians; then we are compelled to admit that legislative corruption has gained an ascendancy utterly incompatible with commercial prosperity. Some regard the measure as instigated by a few merchants, who desire to get rid of the mediation of brokers and auctioneers. This supposition would seem to be countenanced by the fact, that the duty is imposed upon the transactions of these parties only; and that a bond of \$5,000, with two sureties, is required from them by the law. The middlemen are no doubt a thorn in the side of merchants who would prefer coming into direct contact with buyers. The auctions, too, are regarded as a nuisance by a class of importers who prefer doing their business at private sale. The broker and the auctioneer, however, perform important services to both buyers and sellers, for a very moderate charge; and no stronger evidence of their value to the community could be given, than the fact they are so extensively employed. They supply the brain and energy of our exchanges; and we could no more dispense with their functions, than the jobber could conduct his business without buyers or salesmen.

Serious doubts are entertained of the constitutionality of the law; and the question will probably be tested at an early day before the courts. The bill has the serious defect in construction that it imposes a tax without specifying the object to which the proceeds shall be applied; while Art. VII, § 13 of the State constitution provides that—

"Every law which imposes, continues or revives a tax, shall distinctly state the tax, and the object to which it shall be applied; and it shall not be sufficient to refer to any other law to fix such tax or object."

It would seem probable that, upon this ground at least, the law may be pronounced unconstitutional.

We have rarely seen the mercantile community so exasperated under a sense of legislative outrage. All feel that their interests are gravely threatened, and that an immediate remedy must be found. We cannot but hope that the authorities will hold the execution of the law in abeyance until either the courts have declared it unconstitutional, or the legislature has cancelled the wrong.

PORK PACKING IN CHICAGO.

HOW HOGS ARE BUTCHERED—KILLING PENS—CLEANING AND PREPARING—CUTTING UP AND SALTING—RESULT OF THE BUSINESS SEASONS OF 1865-66—HISTORY OF BUSINESS—CHICAGO THE GREATEST PORK AND BEEF MARKET IN THE WORLD—RECEIPTS AND SHIPMENTS 1852-66—PACKING IN WESTERN STATES—DECREASE OF HOG CROP—SUBSIDIARY MANUFACTORIES—GENERAL REFLECTIONS, ETC.

THE process of butchering hogs, as practiced in our packing houses, is well worthy of examination and description. During the winter, when the packing houses are busiest, it is well worth the trouble of any one to visit them and learn. On this, and the general subject of the hog trade, we compile the following from the *Chicago Times* of March 19, 1866:

HOW HOGS ARE BUTCHERED.

The packing houses of Chicago are mostly situated at Bridgeport, that long suffering and much abused suburb, whose offence is so rank it smells to heaven—and to Chicago; Bridgeport, whose odoriferous winds are the occasion of many invectives and much turning up of noses throughout the warm summer months, and which is generally famed in the city for its foul slough, its foul waters, its foul streets and its foul sinella.

At this season Bridgeport is not odoriferously fragrant, unless a prevailing odor of fresh blood and hot lard may be deemed offensive. The Healy slough is frozen over and conceals its foul corruptions under its icy breasts. The snow and ice conceal the filthy streets. The water is mostly hidden by ice; but the little streams which run through ditches to the river, and in some places overflow the river, vary in hue from a delicate rose to a rich crimson, and a lively imagination might conceive them as rivulets of wine fresh from the press where the glancing feet of merry girls are trampling out the vintage, when, in fact, they are fresh from the gaping throats of butchered hogs and bullocks. During the summer Bridgeport is but a very sorry place. The packing houses are closed, and with them closes the life and activity of Bridgeport. Nothing is doing. The men are absent in the country, or in the city, at work. The bellowing of bullocks, and the bleating of sheep, and the grunting of swine has ceased. The very waters partake of the general stagnation, and the Healy slough is itself again, tweaking us all by our noses and defying the Common Council to meddle with it.

But we have come to Bridgeport to see the packing houses and learn how cattle and hogs are manufactured into the various products known as mess, prime mess, long and short middles, Cumberlands, Stratford, lard, tallow, white and yellow grease, etc.. We see numerous broad, flat-

roofed, low, solid-looking brick and stone buildings, usually adorned with a tall chimney and surrounded by an acre or two of barrels and boxes, and with a side track running from the railroad to their very doors. These are the packing houses. Let us enter one. Shades of the porcine race! here are the pallid corpses of 2,000 slaughtered porkers hanging before our eyes, each with his heels to the ceiling, his nose to the floor, and his tail, no longer curled according to the latest swinish style, but hanging down, limp and lifeless, behind his back.

We are in Reid & Sherwin's packing-house, one of the best managed, though not the largest in the city. The obliging clerk will volunteer his services as guide. We wend our way around the ghastly army of suspended swine to the end of the building, where a scene strikes the eye worthy of the artist, though it would be hard for either brush or pen to portray the rapidity of movement, the vigor of action, and determined, relentless expression which gives this group of laborers, slashing with knives and cleaving with axes, the appearance of soldiers in the thick of battle, while the cloud of vapor which envelopes the scene might well be fancied the smoke of villainous saltpetre. Our guide passes on; we close our lips resolutely and follow recklessly. People who wear good clothes will do well to change their dress before making such a venture; Bohemians need be at no such trouble. One step forward and you find yourself in the warm embrace of a monster pig, fresh from the scalding vat and scraping bench. You leap to one side to avoid this danger and thrust your elbow among the viscera of a freshly disembowled hog, before which a stalwart man is flourishing a keen and glittering knife. A step forward and you are ankle deep in warm blood, through which you wade several feet till you reach an elevated platform, on which stand the workmen at the scraping bench. You creep by these dragging your skirts over piles of wet and dirty bristles, reckless alike of brandished knives and swinish filth, and at last reach the killing pens and are ready to commence your investigations.

We are in the second story of the building. Down on the ground at a little distance are the pens where the stock is confined. From these an inclined plane, a veritable porcine bridge of sighs, leads up to the

KILLING PENS.

Of these there are two, so arranged that one may be filled with hogs from the inclined plane while the hogs are killed and dragged out from the other. Four or five little urchins urge the pigs up the inclined plane. The way is long and hard, and piggy grunts complainingly. He enters gladly into the killing pen, and welcomes it as a harbor of rest. Alas! though the way which he has trodden was straight and narrow, the end thereof is death. The pen is filled. The pigs are crowded thick together and lie contentedly dreaming, perhaps, of some piggish paradise, when lo! the executioner appears. It is the last of earth for piggy. This wingless angel of death, armed with a pointed hammer, stalks over their broad backs and taps each fated pig on his forehead, just between the organs of language and music, (speaking phrenologically,) and every touch is death. Without a groan or a grunt, without a struggle or a kick of agony, he sinks gently to the floor, never to rise again, bearing on his countenance the same look of placid contentment that it used to wear

when wallowing in his chosen mire. Piggy is a corpse. Let us follow his mortal remains.

Two cruel men enter the pen now full of swinish corpses. They insert a hook into one of his eyes and drag him out. Piggy does not complain of the hook. If he did they would tell him: "It is all in your eye." He now lies on a floor formed of plank about four inches wide and an inch apart. A new character appears upon the scene. He is a mild-eyed, meek-looking man in a laborer's dress. He carries a short sharp knife in his hand, and a butcher's steel hangs at his side. Yet you do not suspect him. He wears the look of an honest man, and you would not feel afraid to trust your life or your fortune in his hands. Truly, appearances are often deceiving. That man is a professional cut-throat! Boldly and openly, in broad daylight, he carries on his bloody work. In a single day he has been known to plunge his glittering blade into more than a thousand bodies, and for a paltry salary he devotes himself to his chosen trade of bloodshed week after week and month after month. The bleeding bodies of his victims lie thick around him, the blood running in a crimson tide from their throats to the vat beneath, which at the close of the day's work contains hogsheads of blood.

CLEANING AND PREPARING.

The mortal remains of these slaughtered innocents are now to be prepared for the embalmer. Adjoining the floor on which they lie is a huge vat, about five feet wide and ten or twelve feet long, filled with water, which is kept constantly scalding hot. Beyond it is the long table which we passed on our way to the killing pens. This is the swinish tonsor's palace. Piggy first takes a hot bath. He is plunged into the vat, and kept beneath the surface of the scalding water by four men with sticks, who pass him along to the scraping block. By the time he has reached this he is thoroughly washed and ready to have his hair dressed. To accomplish this he is lifted by a sort of hinged cradle from the scalding vat to the scraping table, where he is immediately attacked by four scrapers, who soon deprive him of every hair and bristle, the latter being preserved in barrels for the brush manufacturer, the former being converted into curled hair, soon to appear in the cushioned seats of luxurious chairs and lounges in richly furnished parlors. As soon as he is out of the hands of the hair-dresser, our pig takes a shave. Four men, with long, sharp knives, do the job for him. They do it neatly, too. The swinish skin is as smooth and white as if it had been subjected to a first-class barber. The fashion among swine varies somewhat from that prevalent among humans, in that they have the whole body shaved, while the face is left untouched. The pig is now at the end of the platform, and ready for the honorable Japanese ceremony of *hari kari*. He is suspended by the heels on one of the arms of a revolving horizontal wheel. Before him stands the great disemboweler, a stalwart, muscular man, who holds in his right hand a keen knife, which he wields with marvelous power, accuracy and rapidity. None but the most skillful can do this work. He raises his knife strikes a blow, cleaves the belly of the hog in a trice from tail to throat, thrusts his arms into the loosened viscera, separates in the twinkling of an eye the lungs, heart, and liver from the stomach and intestines, throws the latter upon a table where men and boys stand ready to remove the

lard, tosses the bladder into a barrel, where it is preserved to be filled with lard, and drops the other visera on the floor, where they are seized by boys whose duty it is to dispose of them. The wheel is then turned and another hog presented to the attention of our friend with the knife. The rapidity with which this man works is perfectly astounding. We watch him three minutes, and in that time he has dissected nine hogs. He has been known to conduct 1,200 *post mortem* examinations in ten working hours, and then be ready to do as much the next day.

CUTTING UP AND SALTING.

The hog is now passed, still hanging on the wheel, to a man who deluges it thoroughly with cold water, till it is washed clean inside and out. By an ingenious contrivance it is lifted from the wheel, still hanging by his beels, and transferred to a railroad, along which he is shoved until opposite the hanging floor, where another workman separates the shoulders with a cleaver, and still another loosens the leaf lard from the sides and spreads the sides by inserting a short stick, an operation technically called "raising," and designed to expose the flesh of the animal to the air as completely as possible, that it may cool rapidly. The hog is then transferred to the room in the hanging floor, where he is to remain suspended until he is ready for the hands of the cutter and the packer, who are to embalm the swinish corpse.

The packing-houses of Chicago exemplify in a most remarkable manner the advantages of a proper division of labor, and simple labor-saving machinery. The amount of work done by 20 men in one of these establishments would require at least 300 workmen, as butchering is usually conducted on a well-regulated farm, even with furnaces and vats for heating water, and other conveniences seen only on the best managed farms. For this reason slaughtering and packing can be much more cheaply done in a large establishment than on any farm, even if labor there is comparatively cheap.

THE RESULT OF THE BUSINESS SEASON OF 1865-66.

There has been an excellent demand for all provisions this season, and packers have been unwilling to take risks by holding products, but have sold almost as fast as they have manufactured. Consequently the stock on hand is unusually light, lighter indeed than it has been at this season for several years before. A large and increasing southern demand has sprung up since the close of the war, which has supplied to a great extent the place of the enormous demand for army consumption, which for several years has required a large portion of our products.

The following table shows the number and the average net weight of hogs, and the quantity of the different kinds of pork packed by the different establishments in the city during the season of 1865-6 :

Packers.	Number		Avg net		Barrels packed			
	Live.	Dres'd.	Total.	w'ght.	Mess.	Pr. mess.	Ex do.	Rmp
Cragin & Co.....	43,144	11,036	54,200	281	12,170	1,659	705	774
Culbertson, Blair & Co.....	28,177	23,967	52,144	282½	18,105	1,660	1,507	814
A. E. Kent & Co.....	8,000	30,000	38,000	229	11,500	....	....	...
Reed & Sherwin....	32,016	....	32,016	211	6,239	747	....	80
J. M. Spafford & Co.....	9,692	20,770	30,462	220	4,541	210	....	...
Geo. W. Higgins & Co.....	....	21,162	21,162	226½	5,000	....	100	...
Boyd & Small.....	19,485	846	20,331	213	1,547	207	....	134
Brainard, Burt & Co.....	2,588	14,349	16,937	233	5,803	...	168	76
G. S. Hubbard & Co.....	11,870	4,548	16,418	234	5,335	192	....	227

Freeman, Ruggles & Crosby.....	15,738	15,738	225	5,248	....	....	100
Worster, Hough & Co..	14,478	120	14,598	223	8,116	....	857 217
Mullward, Barron & Co	13,486	963	14,449	200	420	....	421 ...
D. Kreigh & Co.....	14,241	.....	14,241	229½	2,876	475	.... 136
Pulsifer.....	8,066	10,423	13,494	232	2,395	148	.... ...
S. McKichan & Co.....	291	12,967	13,278	238½	2,948	8	630 ...
Bowers & Co.....	12,730	.....	12,730	232	1,496	....	.... ...
Jones & Gifford.....	12,016	.....	12,016	222	1,778	310	.... ...
Dow, Quirk & Co	4,598	6,873	11,471	255	4,009	....	.... ...
Rhodes & Whyte.....	3,369	6,801	10,170	251½	1,854	181	.... 150
Tobey & Booth.....	9,061	376	9,437	221	2,129	....	.... ...
C. L. Palmer & Co.	7,007	1,206	8,213	218	1,491	120	.... 80
Griffin Brothers.....	5,729	2,470	8,199	230	2,048	....	722 127
Leland & Mixer.....	1,671	5,376	7,047	215	1,302	26	540 ...
Turpin & Co.....	6,625	....	6,625	244	820	....	.... 184
Shaw & Co	5,891	.....	5,891	219	1,280	....	.... 26
Thorne & Co.....	5,199	.....	5,199	217	1,520	....	.... 35
Nash, Thos. & Co	5,028	.....	5,028	210	....	....	50 ...
John Hayward.....	4,540	222	4,762	253	2,115	....	.... ...
John Nash.....	2,677	139	2,816	209	85	....	.... ...
H. Brinkworth.....	....	2,434	2,434	245½	....	....	.... ...
Sunderland & Co.....	3,617	99	3,716	230	986	....	.... ...
Joseph Nash.....	1,415	215	1,630	200	50	....	.... ...
Hurlburt & Co.....	1,830	.....	1,830	246	724	....	.... ...
R. & W. H. Smith.....	....	1,410	1,410	261	490	....	.... ...
Gardner & Co.....	967	.....	967	220	490	60	.... ...
W. C. Reed & Co.....	....	1,160	1,160	260	376	40	.... 18
Stewart, Sanger & Hollhan.....	6,520	.....	6,520	197	530	....	.... ...
Turner & Nicoles.....	....	.....	.....	....	....	....	.... ...
Six houses, estimated... ..	....	4,773	4,773	...	....	....	.... ...
Total years.....	300,974	200,488	501,462	226.73	107,361	5,933	5,698 3,130
Year 1864-5.....	596,204	151,943	750,147	178	101,717	166,694	.....

The decrease since last year in the number of hogs packed amounts to 248,685 head, but the average weight shows an increase of 27 per cent. The decrease in the amount of cured product is probably equal to 15,000,000 pounds.

A statement of the current prices for each week from Nov. 4, 1865, to March 17, 1866, compiled from actual transactions, is given below :

Date.	Live hogs, gross.	Dressed hogs, net.	Mess pork.	Prime mess pork.	Ex. prime pork.
Nov. 4, 1865..	10 00@11 25	.... @.....	35 00@.....	26 00@27 50@.....
Nov. 11, 1865..	11 00@11 50	....@.....	34 00@.....	26 00@27 00@.....
Nov. 18, 1865..	10 50@12 50	....@.....	33 00@23 50@.....@.....
Nov. 25, 1865..	9 50@10 75	.... @.....	32 00@33 00	25 00@25 50@.....
Dec. 2, 1865..	8 50@ 9 50	....@.....	27 50@28 00	....@.....	20 00@.....
Dec. 9, 1865..	9 25@10 00	11 00@11 50	26 50@27 00@.....@.....
Dec. 16, 1865..	8 25@ 9 25	11 00@11 25	27 00@.....@.....@.....
Dec. 23 1865..	8 50@ 9 10	10 25@10 75	27 00@27 50	....@.....	20 00@.....
Dec. 30, 1865..	9 25@10 00	11 00@11 50	27 50@28 00	25 00@.....	22 00@.....
Jan. 6, 1866..	8 50@ 9 00	9 75@10 00	24 50@25 00	23 00@.....	20 00@.....
Jan. 13, 1866..	9 25@10 00	10 00@10 75	28 00@.....	24 50@25 00	21 00@.....
Jan. 20, 1866..	9 00@ 9 90	10 75@.....	26 00@26 50	24 00@.....	22 00@.....
Jan. 27, 1866..	9 00@ 9 60	10 50@10 75	25 75@26 00	22 50@23 00	19 00@20 00
Feb. 3, 1866..	8 75@ 9 75	10 75@.....	26 25@26 50	23 00@23 50	18 50@19 00
Feb. 10, 1866..	9 00@10 00	11 00@11 15	26 50@27 00	23 50@24 00	20 00@.....
Feb. 17, 1866..	8 75@10 00	10 75@11 00	26 00@26 25	23 50@24 90	19 00@.....
Feb. 24, 1866..	9 25@10 00	11 00@11 25	26 00@26 50	24 00@25 00	19 00@20 00
Mch. 3, 18 6..	9 30@ 9 90	11 00@11 25	26 25@.....	25 00@.....	19 00@20 00
Mch. 10, 1866..	9 00@ 9 50	10 75@11 00	25 75@26 00	24 50@25 00	19 00@20 00
Mch. 17, 1866..	9 00@ 9 75	10 25@10 50	25 75@26 00	24 00@24 50	19 00@20 00

1865.	Lard		Grease		Sugar pkld hams.	Bulk Meats	
	Prime.	No. 1.	White.	Yellow.		Sides.	Shoulders.
Nov. 1...	23 @28½	27 @27½	17 @....	14 @....	19 @....	16½@....	14½@....
" 11...	27 @27½	26 @....	17 @17½	15 @16	19½@20	17½@17½	15½@...
" 18...	26 @26½	25 @25½	17 @....	14 @....	19 @19½	17½@....	15½@....
" 25...	23 @24	21½@22	16 @....	14 @....	16½@...	15½@16	13½@14
Dec. 2...	24 @21	....@....	16 @....	14½@...	14 @15@....@....
" 9...	19 @18½	18 @18½	15 @16	13 @14	....@....	....@....	9½@10
" 16...	17½@18	16 @17	15½@....	14 @....	....@....	....@....	11 @11½
" 23...	17 @18	16½@16½	14 @....	13 @13½	....@....	....@....	11 @....
" 30...	17½@18½	17 @17½	14 @15	14 @14	16 @16½	14 @....	11½@11½

1866.									
Jan. 6...	16½ @ 16½	15½ @ 15½	14 @	13½ @ 13	17 @			10½ @	
" 13...	17 @ 17½	16 @ 16½	14 @	13 @	16 @ 17			11 @	
" 20...	17 @ 17½	16 @ 16½	14 @ 15	13 @	16½ @ 17½			11 @ 11½	
" 27...	17 @ ...	16 @ 16½	14 @ 15	12½ @ 13	16 @ 17			11 @ ...	
Feb. 3...	16½ @ 17½	...	14 @ 15	12½ @ 13	16 @ 17			10½ @ 11	
" 10...	16½ @ 17	16 @ 16½	14 @ 15	12½ @ 13	16 @ 17½			10½ @ 11	
" 17...	16½ @ 17	16 @ 16½	14 @ 15	12½ @ 13	15½ @ 17			10½ @ 11	
" 24...	17½ @ 18½	17 @ 17½	15 @ ...	13 @ ...	15½ @ 17			10½ @ 11	
March 3...	18 @ 18½	17 @ 17½	15 @ ...	13 @ 13½	16 @ 17			10½ @ 10½	
" 10...	17½ @ 18	17 @ 17½	15 @ 15½	13 @ 13½	16 @ 17			10 @ 10½	
" 17...	18 @	17 @ 17½	15½ @	13½ @ 13	16 @ 17			10½ @ 10½	

	Green meats.			English meats.				Cumber- lands.
	Hams.	Sides.	Sho'lders.	Short boneless.	Short middles.	Long boneless.	Long boneless.	
Nov. 4, 1865	18 @ ..	16 @ ..	12½ @ 13	19 @ ..	18 @ ..	19 @ ..	17 @ 17½	16½ @ 17
" 11, "	18 @ ..	16 @ ..	12½ @ 13	19 @ ..	17 @ 18	.. @ ..	.. @ ..	16 @ 16½
" 18, "	18 @ ..	16 @ ..	11 @ ..	.. @ ..	25 @ ..	.. @ ..	.. @ ..	14 @ ..
Dec. 2, "	18½ @ 18½	.. @ ..	9½ @ 9	.. @ ..	.. @ ..	.. @ ..	.. @ ..	13½ @ 14
" 9, "	18½ @ 18½	.. @ ..	9 @ ..	.. @ ..	14 @ ..	.. @ ..	.. @ ..	13½ @ ..
" 16, "	13½ @ 14	.. @ ..	9 @ ..	13 @ ..	14 @ 14½	.. @ ..	13½ @ 14	13 @ ..
" 23, "	14 @ ..	.. @ ..	9 @ @ @ @ @ @ ..
" 30, "	15½ @ 15½	13 @ ..	9½ @ 10	16 @ ..	15 @ 15½	.. @ ..	14 @ 14½	14 @ 14½
Jan. 6, 1866	15 @ ..	.. @ ..	2½ @ ..	16 @ ..	14 @ ..	.. @ ..	13 @ 13½	18 @ ..
" 13, "	15 @ 15½	11½ @ 12	9 @ 9½	16 @ ..	14½ @ 15	.. @ ..	14 @ ..	13½ @ ..
" 20, "	15½ @ 16	12½ @ 12½	9 @ 9½	16 @ ..	15 @ ..	.. @ ..	.. @ ..	13½ @ 13½
" 27, "	15 @ 16	12 @ 12	9 @ 9½	16 @ ..	14½ @ ..	14 @ ..	.. @ ..	13 @ 13½
Feb. 3, "	15 @ 16	12 @ 12½	9 @ 9½	16 @ ..	14½ @ 14½	.. @ ..	.. @ ..	13½ @ 13½
" 10, "	16 @ ..	12½ @ 12½	9½ @ 9	16 @ ..	14½ @ ..	14½ @ ..	.. @ ..	12½ @ ..
" 17, "	16 @ ..	.. @ ..	.. @ ..	16 @ ..	14½ @ 14½	.. @ ..	.. @ ..	13 @ 13½
" 24, "	16 @ ..	.. @ ..	.. @ ..	16 @ ..	14 @ 14½	.. @ ..	.. @ ..	12½ @ 13½
Mar. 3, "	18 @ ..	.. @ ..	.. @ ..	16 @ ..	14½ @ 14½	.. @ ..	.. @ ..	13 @ 13½
" 10, "	15½ @ ..	.. @ ..	.. @ ..	16 @ ..	14 @ 15	.. @ ..	.. @ ..	13½ @ 13½
" 17, "	.. @ ..	.. @ ..	.. @ ..	16 @ ..	14½ @ 15	.. @ ..	14 @ ..	13 @ 13½

HISTORY OF BUSINESS.

The first packing-house in the city commenced operations in 1835, when 3,500 hogs were cut and packed by Gurdon S. Hubbard. Since that time the business has increased with the growth and prosperity of the West, until it has assumed its present proportions as one of the three or four leading branches of business in this great commercial city. Until 1861 it has not assumed such proportions as to make the place prominently known as an important packing point. During the season of 1861-62 one-fifth of the whole number of hogs packed for market in the Western States were put up in the Chicago packing-houses. They furnished nearly one-fourth of the total product of these States during the season of 1862-63, and more than one-fourth the succeeding season; while during the season of 1864-65 almost one-third of all the hogs packed in the Western States were packed in Chicago. The business of the past year, though much less than that of 1864-65, shows that Chicago still maintains its position at the head of the packing-business of the country.

The increase in the business will be clearly indicated by the following table, which shows the number packed since 1852, together with their average weight and the entire number packed in the Western States since 1857:

Season.	Packed in Chicago.	Average weight.	Packed in W'n States	Season.	Packed in Chicago.	Average weight.	Packed in W'n States
1852-53	48,156	211	..	1859-60	151,859	225	2,350,883
1853-54	52,849	249	..	1860-61	271,806	240	2,155,708
1854-55	73,694	248	..	1861-62	514,118	240	2,823,733
1855-56	80,330	233	..	1862-63	970,873	227	4,069,520
1856-57	74,000	226	..	1863-64	904,659	183	2,271,105
1857-58	92,362	220	2,210,521	1864-65	780,514	180	2,251,205
1858-59	170,684	200	2,445,552				

CHICAGO THE GREATEST PORK AND BEEF MARKET IN THE WORLD.

These figures show Chicago to be the most prominent packing point in the world. It has secured that position by the advantages of its position and the perfection of its communications, both natural and artificial. To the east cheap transportation of provisions is afforded by lakes and canals; while from the west numerous lines of railroad furnish the only means of carriage which can profitably be used for the transportation of live stock. Living animals must be transported rapidly, for they rapidly become unfit for butchering. Canals and rivers never can compete with railroads for this class of freight. The country reached by railroads which lead into Chicago is especially productive of corn, and consequently well calculated for the production of hogs and cattle. These can be raised for this market at a profit even in the interior of Missouri, Iowa and Minnesota, although the freights on grain from points so distant make it a profitless crop unless fed to stock. Little of the grain received in this market is raised west of the Mississippi. The rates of freight will not permit it. The territory from which we receive live stock is four or five times as extensive as that from which we receive grain. Great as is this branch of business, it is yet in its infancy. Chicago must always be the great live stock emporium, and the great provision manufacturer for the Eastern and European markets. For a number of years Cincinnati was the greatest packing point in the country, and was known to every one as the great Porkopolis. Until 1861 she held the palm. Her business has not decreased, but ours has increased. The following table will illustrate the extent and the growth of this business in these two cities since 1854:

Season.	Chicago.	Cincinnati.	Season.	Chicago.	Cincinnati.
1854-55.....	73,694	355,786	1860-61.....	271,805	433,799
1855-56.....	80,380	405,396	1861-62.....	514,118	474,157
1856-57.....	74,000	344,513	1862-63.....	970,473	644,437
1857-58.....	99,262	446,677	1863-64.....	904,659	387,640
1858-59.....	170,644	382,826	1864-65.....	750,147	350,000
1859-60.....	151,359	434,499	1865-66.....	501,463	354,073

RECEIPTS AND SHIPMENTS.

The receipts and shipments of hogs at Chicago since 1852 are shown in the following table:

Season.	Received.	Shipped.	Season.	Received.	Shipped.
1852-53.....	65,158	10,000	1859-60.....	255,384	71,360
1853-54.....	73,950	10,623	1860-61.....	354,634	119,338
1854-55.....	178,565	52,831	1861-62.....	746,697	225,640
1855-56.....	308,538	188,755	1862-63.....	1,236,545	316,431
1856-57.....	220,702	103,074	1863-64.....	1,377,652	471,000
1857-58.....	243,216	88,546	1864-65.....	1,065,008	314,575
1858-59.....	251,102	46,431	1865-66.....	803,405	245,735

PACKING IN THE WESTERN STATES.

The following table shows the number of hogs packed in the seven States—Ohio, Illinois, Indiana, Iowa, Missouri, Wisconsin and Kentucky—since 1830. It is, of course, incomplete, because many of the smaller towns make no returns, but includes the business of all the leading packing points:

Season.	No. packed.	Season.	No. packed.
1860-61.....	2,155,302	1863-64.....	3,271,105
1861-62.....	2,711,783	1864-65.....	2,261,226
1862-63.....	4,069,520		

THE DECREASE OF THE HOG CROP.

It will be remarked that the hog crop reached its maximum in the season of 1862-63, and that there has been since that time a considerable decrease in production. That this has not been occasioned by a decrease in the demand will be very plainly shown by a comparison of the prices paid for live and dressed hogs for a series of years. The table shows the highest and the lowest prices paid during the season :

Season.	Live hogs, per cwt.	Dressed hogs, per cwt.	Season.	Live hogs, per cwt.	Dress'd hogs per cwt.
1858-59.....	\$3 50@ 5 75	\$4 50@ 7 50	1862-63.....	\$2 15@ 4 50	\$3 50@ 4 45
1859-60.....	3 50@ 5 50	4 00@ 7 00	1863-64.....	3 00@ 7 50	4 00@ 8 50
1860-61.....	4 25@ 5 75	4 75@ 6 50	1864-65.....	6 25@ 13 00	11 00@ 15 12½
1861-62.....	2 15@ 3 00	2 50@ 3 75	1865-66.....	8 25@ 12 50	9 75@ 11 50

During the war the demand for pork was unusually and unnaturally great. To answer this demand farmers pushed forward all the animals which would answer for market, including many which, under ordinary circumstances, would have been preserved for stock and for breeding. The consequence was that the number of animals was sensibly diminished, and the crop of 1863-64 considerably less than that of the previous season. The next season shows a remarkable falling off in the crop from the action of similar causes, and, as a consequence, the demand continuing remarkably great, and the supply being remarkably small, prices rose enormously, and dressed hogs, which sold at \$3 50 per cwt. in the first year of the war, brought \$15 readily before it closed.

With the close of the war the army demand has ceased, but in its place we have an extensive Southern demand, and as the crop has not increased, but considerably decreased, prices have continued better than were ever known before last year, in spite of the cheapness of corn.

SUBSIDIARY MANUFACTURES.

In enumerating the manufactories of the city it is not usual to include the packing-houses; yet these are truly manufactories, where raw material, such as cattle and hogs, are transformed into pork, beef, hams, lard, tallow, etc., by the aid of machinery and labor. This business is one of the most important interests of the city, and occupies the capital and capacity of many of our most energetic and wealthiest citizens, gives employment to thousands of laborers, and produces a very large proportions of our exports. It is easy enough to count the packing establishments and to ascertain the number of laborers which they employ, but this will give us only a slight idea of the industrial importance of the business. Besides the men who are directly employed in the packing-houses, we must remember the hundreds who are engaged in moving the stock and the provisions manufactured from them to and from the various depots, and in connection with the carriage of such freight on the railroads which bring in stock and dressed hogs and take out provisions.

The manufacture of barrels and tierces and packing boxes, which is so extensive in the city, and gives employment to hundreds of mechanics at a season when work is usually scarce, is supported entirely by the packing interest. The consumption of salt in these establishments is enormous, and creates an immense trade in this material, giving employment to ships and sailors and dealers. The business of the packing-houses is

mostly confined to four months of the cold season, when laborers are unable to prosecute such occupations as are practiced in the open air, and when work is scarce. During the winter months, hundreds of carpenters, masons and bricklayers, and thousands of laborers who find employment in the summer in lumber yards, and in connection with building, are left without their accustomed occupation. These packing houses afford employment at this time, and many who exercise mechanical occupations during the summer find steady work and good pay in them throughout the winter. Some idea of the importance of this business may be gathered from the fact that more than \$20,000,000 was expended by our packers last year for the cattle and hogs which they put up.

GENERAL REFLECTIONS, ETC.

The advantages of this business, however, are not limited to the citizens of Chicago. Our packing-houses are of immense importance to all the producers of stock. Everything which in any way facilitates the transportation of produce from the farm to the consumer is of great value to the producer. Hogs and cattle, when reduced into barrels of pork and beef, of lard and tallow, are not only materially reduced in weight, but put into a much more convenient and manageable form. A few days' confinement in cars tells wonderfully on these stock. The shipper must not only pay freight on good butchers' meat, but also on blood and bones, horns, hoofs and all manner of offal; he must hire men to care for them, and buy hay and grain to feed them. Barrels of provisions, on the contrary, submit to be rolled about from wagon to car and warehouse; they will rest contentedly and without injury on the longest journey, with no one to watch over and take care of them; they require no outlay for either food or drink, and are neither decreased in weight or injured in quality by hard travel or long keeping. There is every reason why the cattle and hogs of the west should be butchered and packed,—in other words, should be manufactured into provisions,—before they are exported, and it is not to be wondered at that Chicago and Cincinnati have become the greatest packing points in the world. The causes which are now operating will continue to operate, and we can hardly fix a limit to the increase which may be expected in packing operations. The great weight of grain compared with its value will always tend to discourage shipments of breadstuffs to distant markets, and we must expect to see trade in live stock and provisions increase more rapidly, and reach greater proportions, than the grain trade. There are many reasons why it is desirable that the farms of the west should be devoted to raising stock rather than grain for export. Besides the difference in the cost of transportation which has just been mentioned, a very important consideration is the difference in the effect upon farming lands. Repeated crops of wheat and corn will eventually exhaust even the rich soil of western prairies; flocks and herds enrich the field which feed them. Continued cropping of prairie farms will sooner or later leave the land, like that of the exhausted plantations of Virginia, barren and unproductive; while a system of culture which includes the raising of animals, and consequently the production and use of fertilizing agents, will preserve and increase the productive capacity of this magnificent agricultural country which is now deservedly known as the garden of the world.

THE UNITED STATES DEBT.

DEBT BEARING INTEREST IN COIN.

Denominations.	March 1.	April 1.	May 1.
6 per cent, due December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250
6 do July 1, 1868.....	8,908,342	8,908,342	8,908,342
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000
5 do January 1, 1871.....	7,022,000	7,022,000	7,022,000
6 do December 31, 1880.....	18,415,000	18,415,000	18,415,000
6 do June 30, 1881.....	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s.....	139,288,110	139,284,650	139,313,150
6 do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years).....	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5.20 years).....	61,283,000	65,175,500	71,003,500
5 do March 1, 1874-1904 (10.40s).....	172,769,100	171,219,100	171,219,100
6 do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
6 do June 30, 1881.....	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest.....	\$1,177,867,292	\$1,180,236,842	\$1,186,092,842

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan { 10 days' notice. }			
5 do do do }	\$118,577,939	\$121,751,970	131,497,854
6 do Certificates (one year).....	62,264,000	62,258,000	62,620,000
5 do One and two-years' notes.....	8,536,900	8,536,900	8,036,900
6 do Three years' com. int. notes.....	174,012,141	172,012,141	167,012,141
6 do Thirty-year bonds, (Cent'l Pacific R.).....	2,362,000	2,362,000	2,362,000
6 do do (Union Pacific R. E. Div.).....	1,682,000	2,272,000	2,272,000
7.30 do Three years' treasury notes, 1st series ..	818,044,000	817,014,000	816,512,650
7.30 do do do 2d series			
7.30 do do do 3d series			
Aggregate of debt bearing lawful money interest.....	\$1,179,475,236	\$1,186,207,011	\$1,188,313,545

DEBT ON WHICH INTEREST HAS CEASED.

7.30 per cent Three-years' Notes.....	\$167,350	\$930,680	\$877,730
do Texas Indemnity Bonds.....	618,000		
Other bonds and notes.....	200,630		
Aggregate of debt on which interest has ceased.....	\$985,780	\$930,680	\$877,730

DEBT BEARING NO INTEREST.

United States Notes.....	\$423,435,373	\$422,749,252	\$415,164,318
Fractional currency.....	27,523,734	28,006,452	28,192,017
Currency.....	\$450,959,107	\$451,754,704	\$448,356,335
Gold certificates of deposit.....	12,627,600	9,665,160	9,036,420
Aggregate of debt bearing no interest.....	\$463,586,707	\$461,419,804	\$452,392,755
Amount in Treasury—			
Coin.....	\$55,736,192	\$62,069,701	\$76,676,407
Currency.....	60,282,767	60,077,680	61,310,622
Total in Treasury.....	\$116,018,959	\$122,147,381	\$137,987,029

RECAPITULATION.

Debt bearing interest in coin.....	\$1,177,867,292	\$1,180,236,842	\$1,186,092,842
Debt bearing inter'st in lawful money.....	1,185,428,980	1,186,207,011	1,188,313,545
Debt on which interest has ceased.....	985,780	930,680	877,730
Debt bearing no interest.....	463,586,707	461,419,804	452,392,755
Aggregate debts of all kinds.....	\$2,827,868,759	\$2,827,793,896	\$2,827,676,872
Cash in treasury.....	116,018,959	122,147,381	137,987,029

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes.....	\$8,536,900	\$8,536,900	\$8,036,900
United States notes (currency).....	423,435,373	422,749,252	415,164,318
Three years' 6 per cent compound int. notes.....	174,012,141	172,012,141	167,012,141
Aggregate legal tender notes in circulation.....	\$605,984,414	\$603,298,293	\$588,213,259

APPLICATION OF HYDRAULICS TO STEAMSHIPS.

The London *Daily News* says that on the 7th of April an unpretending looking little steamship of eighty seven tons, named the Nautilus, left London bridge with a company of practical engineers, naval architects, and other scientific men on her decks. She was innocent of paint, unencumbered with masts and rigging, and looked altogether rather rough and home-made as she started off on her trial trip. The novelty was that the vessel was propelled with neither paddle nor screw, and the river-faring people stared with no little incredulity on the strange innovation. The Nautilus is the property of private gentlemen who have sufficient faith in what is known as "Ruthven's hydraulic propeller," to fit her up with it, and challenge the attention of the scientific world to the invention. The principle is so simple, and its promised advantages are so enormous that, if the expectations of the promoters are realised, the revolution in merchant shipping will be almost as great as that caused by the substitution of iron armor for oaken planks in the navy. The importance of the results involved certainly deserve the close observation with which the scientific gentlemen on board watched the experiment; and the almost unanimous conclusions arrived at appeared to be highly favorable to the newly applied motive power.

The principle can be described in a single sentence. In the centre of the ship, and below the water line, there is fixed a kind of Turbine wheel, supplied with water through holes in the vessel's bottom, and which, being set in motion by an ordinary steam engine, revolves rapidly, and drives out a thick perpetual column of water through apertures, termed nozzles, on each side of the ship. This propelling power, unlike the paddle and screw, does not force the vessel ahead by pushing back the water, but acts directly on the vessel, (something like the recoil produced by firing a gun.) preventing, of course, that loss of power caused by every revolution of the paddle or screw. The all important agents, the nozzles, are the tubes through which the water is expelled from the wheel to the outlet apertures on the water line. When the steady stream is directed towards the stern the ship goes ahead; when to the stern, she backs; and when the streams flow one each way, the vessel, as if on a pivot, turns on her own length. These nozzles are so potent that they can be used to steer as well as to propel the ship; so that the smashing of a rudder would be a matter of perfect indifference. The advantage here is immense, when it is remembered how many disasters at sea have been traceable to the loss of a rudder, the breaking down of a paddle, or the fouling of a screw. In the Nautilus no portion of the machinery is exposed. If she were a ship of war the invariable attempt of the enemy to shoot away paddles, screw, and rudder would be therefore useless; and if she were a merchantman she would not labor under the disadvantage of paddles to diminish her sailing powers, or of that inevitable weakness of stern which attends the use of the screw. Again, the leak, which in other ships too often means hopeless destruction, becomes here, if not a positive blessing, at least no source of danger or inconvenience, because the greedy wheel can be made to swallow up the dangerous water, use it to increase the speed of the vessel, and in doing so to send it out considerably faster than it came in. These are put forward as the main advantages, but it will at once be seen they would involve others, secondary perhaps to a certain extent, but still fraught with benefit. Thus, the uniform working of the machinery prevents vibration, and consequently wear and tear; the pitching and rolling of a heavy sea produces none of that vexatious reaction which strains every part of the ship; the steamer leaves no swell, and very little ferment behind; the peculiarity of

the machinery enables the hull to be built on the lines of the best clipper ship that sails ; and then there comes in the additional claim of economy, both in construction and working.

The Nautilus on Saturday was tested with one of the ordinary iron paddle boats, and in the race down towards Gravesend she held her own, and once or twice got well ahead. The average speed was 11¼ miles an hour. The Admiralty are so convinced of the fitness of the principle that they are now building a gunboat (the Waterwitch) at Blackwall, to be worked by the hydraulic propeller. This gunboat will be launched probably in May, and as she is to be of 778 tons burden, and 167 horse power, her trial will in a measure decide a very important question as to the future of steamships.

The public will have no difficulty in seeing her, as her owners invite the fullest inspection. At present, as we intimated, the Nautilus is not an exhibition ship, but a mere shell, fitted with two engines of ten horse power each. She draws two feet of water, is 115 feet long, and being seven feet two inches deep, stands rather awkwardly high out of the water. The hull closely resembles the Citizen boats, but being somewhat broader, deeper, and fuller in the lines, seems heavier. Having nothing but a temporary mast, or rather flagstaff, before the funnel, she looks conspicuously bare, but the main object, namely, the illustration of the principle, has been realized. Looked at from shore, the thick stream of water issuing from the nozzle may be seen shooting along close to the side like a white column of glass. It expends itself without causing much disturbance of the surrounding water.

COMMERCIAL CHRONICLE AND REVIEW.

The Panic in the European Market—The Money Market at New York—Discontinuance of Temporary Loans by Government—Prices of United States Bonds and Railroad Shares at Home and Abroad—Imports of Dry Goods at New York—Course of Gold for Month—Treasure Movement at New York—Course of Exchange, etc.

THE panic in Europe has been a subject of absorbing interest during the past month, although as far as United States securities are concerned, the decline at London has had no effect here. Cotton, however, has been depressed in sympathy with the Liverpool reports and middling Cotton was at one time quoted as low as 14d at Liverpool, and 30 cents in New York: The secret of this sudden fall in the market was the large receipts both from America and India. As an illustration we give the following statement showing the stocks of Cotton in Europe and the amount afloat about the 10th of April of the last two years :

STOCK OF COTTON IN EUROPE AND AFLOAT FOR EUROPE.

	1865.	1866.
Stock in Liverpool.....bales.	605,920	663,840
" London.....	127,545	58,584
" Havre.....	57,000	60,000
" Rest of Continent.....	40,000	20,000
Total.....	830,465	802,424
Indian Cotton afloat.....	841,500	689,000
United States afloat.....	25,000	125,000
Grand total.....	1,098,960	1,543,980

With such figures as these, (a consumption and export supply of 60,000 bales for 25 weeks), and the increased receipts and shipments since, from this side, the

result was not doubtful. Later advices show a recovery from the panic prices and a firmer market. It was argued by some during the panic and believed by very many that Cotton would soon settle down to a very low figure at Liverpool, and we would quickly return to very near the old order of things. Such remarks are, however, without reason; for such a price would not furnish a sufficient inducement to the Southern planters to raise cotton, and would largely reduce the production in India and elsewhere. So far as the United States is concerned, with a five per cent tax; with existing difficulties of transportation at the South; with the necessity for the reorganizing of labor, and the high rate paid for labor and all the necessities of life, cotton at the present time cannot be profitably laid down at Liverpool at even 12d.

The money market during the month has exhibited great ease. This is due to a multitude of influences, prominent among which, is the accumulation of currency here, and its flow to this and the other great financial centres. The notes of the small, country National Banks are concentrating themselves in our great cities, and especially in New York; and the plethora hence resulting has caused the agitation once more of the plan for securing the redemption of bank notes in this city. We have often expressed our approval of this scheme, which we regard as necessary to secure the stability, permanence and satisfactory working of our national banking system. It is reported that Congress will soon adopt some measures for enforcing redemption. Another cause of the ease in money is connected with the approach of summer, the dread of cholera, and the amount of unemployed capital which is lying here and seeking temporary investment. The most important cause of all, however, is the revival of public confidence since the passage of the loan bill, and the practical declaration of Mr. McCulloch's financial policy. The general belief seems to be that for several months to come he neither will nor can do anything which shall paralyze business, or produce any severe monetary spasm, but that, on the contrary, as far as the Treasury movements can conduce to that end, he will keep the money market easy, and allow the financial machinery of the country to run as equally and uninterruptedly as possible. The depressing, weary, wearing incertitude on these points which, for some time past, have prejudiced business and impeded commerce is now, therefore, succeeded by confidence, and a marked activity of general business has been the natural result.

The rate of interest during the month has been as follows:

RATES OF LOANS AND DISCOUNTS.

	April 6.	April 13.	April 20.	April 27.
Call loans.....	5 @ 6	5 @ 6	5 @ 6	5 @ 6
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.....	6 @ 7	6 @ 6½	7 @ 7½	7 @ 7½
Good endorsed bills, 3 & 4 mos.....	7 @ 8	7 @ 8	7½ @ 8	7½ @ 8
“ “ single names	9 @ 10	9 @ 10	9 @ 10	9 @ 10
Lower grades.....	10 @ 15	10 @ 18	10 @ 18	10 @ 15

The following notice has just been issued by the Secretary discontinuing the receipts of temporary deposits, and consequently there is an increasing volume of idle capital offering for investment:

TREASURY DEPARTMENT, April 28, 1866.

Notice is hereby given that the Treasurer of the United States, the Assistant Treas-

urers of New York, Philadelphia and Boston, and the United States Depositories of Baltimore and Cincinnati have been directed to *discontinue from this date the receipts of deposits on account of temporary loan, except those intended for Clearing House purposes.*

H. McCULLOCH, Secretary of the Treasury.

These temporary deposits amounted altogether, on the 1st of April, to the very large sum of \$121,751,970; of which about forty millions are on Clearing House certificates, payable on call, in legal tender notes. It will be seen that the foregoing notice excepts Clearing House certificates; but about ten days since notice was given that the interest on these certificates would be reduced to 4 per cent on the 1st of May. Twenty-five millions of certificates, or thereabouts, are held by the banks of this city. These temporary loans were first authorized by the act of the 25th February, 1862, the amount being limited to 25 millions of dollars, on which no higher rate of interest was to be paid than 5 per cent. On the 18th March, 1862, 25 millions more were authorized by Congress, the rate being still 5 per cent. By the act of the 11th July following, 100 millions was fixed as the aggregate, and the authority was enlarged on the 30th June, 1864, to 150 millions, the maximum rate of interest being raised to 6 per cent. These four acts of Congress, we believe, are all that pertain to the temporary deposits, and it will be observed that all were passed under the pressure of financial embarrassment, at a time when it was of the highest possible moment that the National Treasury should be replenished by every effective and judicious expedient which could be devised for the purpose. By means of this demand loan arrangement the use of a large sum has been secured to the Treasury for the past four years, and the amount could not perhaps have been so easily obtained in any other way. Another advantage of this system was, that whenever any of those sudden spasms occur, which, in an over-stimulated and excitable feverish money market, under a redundant and depreciated currency, are but too common, a safety valve was found for the relief of our over-strained financial machinery. For experience shows that immediately on the occurrence of stringency the depositors begin at once to draw out their money from the Treasury, and when the deposits run down to the requisite extent, the stringency usually passes speedily away.

It is easy to see, however, that the demand loans, for the very reasons we have detailed, are capable of producing great occasional embarrassment to the Treasury. For in any emergency the \$120,000,000 now on deposit might suddenly run down to \$80,000,000, or less. Consequently, there is a constant indispensable necessity for the keeping of an adequate balance always on hand. This is attended with great expense, as we have to pay interest for a large sum of idle money which we need for no other purpose than to meet any possible demand from the depositors. And what advantage is it to us to pay interest for deposits while we are obliged to keep the money on hand as an inert, burdensome, unemployed reserve? Moreover, these temporary loans are more conducive to inflation and more preventive of contraction than any other part of the interest-bearing public debt; for the least perturbation in the money market causes the dormant currency which has been locked up in the Treasury to flow out and to become active in the channels of business, inflating prices, and neutralizing any

previous efforts at contraction. For these and many other reasons it has been long regarded by some of our wisest financial authorities as a mischievous and unsound policy for the Treasury to carry on the banking business to the extent of paying interest on demand loans, and therefore the course now taken by the Secretary is universally approved.

Government Bonds have exhibited great strength here through the month while in London prices have been depressed in common with all other securities during the panic. Below we give the prices of Five-twenties each day to April 14. The quotation for April 13 and 14 is without coupon :

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending March 24.						Week ending March 31.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat
United States 5'20's, '82.	71½	71½	71½	71½	71½	71½	71½	71½	71½	71½	71	70
	Week ending April 7.						Week ending April 14.					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat
United States 5-20's, '82..	..	71½	72½	72	73½	74	72	72½	71½	71½	68½	68½

Notwithstanding this decline in London and the fall of gold the past two months, prices of Government Bonds in New York have risen and Five-twenties close at 108. We give our usual table below :

The following shows the price of the several leading Government securities represented by the closing sale of each day in April, 1866 :

PRICES OF GOVERNMENT SECURITIES, APRIL, 1866.

Day of month.	6's, 1881.		6's, 5-20 yrs.		5's, 10-40 yrs.		7-30's, 1867.	1 y'r certif.
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.		
Sunday. ... 1	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 2	105½	.....	104½	.....	92	92½	100%	.....
Tuesday... 3	105½	.....	104½	.....	92	.....	100%	.....
Wednesday 4	105	.....	104	.....	91½	.....	100%	90%
Thursday.. 5	104½	105	104	.....	.....	91½	100%	.....
Friday..... 6	104½	.....	104½	.....	91½	.....	100%	.....
Saturday... 7	104½	.....	104½	.....	91½	.....	100%	.....
Sunday.... 8	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 9	105	.....	104½	.....	92	.....	.....	.....
Tuesday...10	104½	104½	103½	.....	91½	.....	.....	90½
Wednesday11	104½	104½	103½	100%	91½	.....	100%	.....
Thursday..12	104½	104½	103½	100%	91½	.....	100%	.....
Friday.....13	104½	.....	103½	100%	92	.....	100%	.....
Saturday...14	.....	.....	104	.....	94½	.....	100%	.....
Sunday....15	.....	.....	.....	.....	.....	.....	.....	.....
Monday....16	105½	.....	104½	100%	.....	.....	100%	.....
Tuesday...17	.....	.....	104½	.....	94	.....	101	.....
Wednesday18	105½	104½	104½	.....	.....	.....	101½	.....
Thursday..19	105½	.....	104½	.....	.....	.....	101½	90½
Friday.....20	105½	.....	104½	101	.....	.....	101½	.....
Saturday...21	106½	.....	104½	101½	93½	.....	101½	.....
Sunday....22	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 23	107	.....	104½	.....	94½	.....	101½	101½
Tuesday...24	.....	107½	105	.....	95½	95½	101½	.....
Wednesday25	.....	107½	105½	.....	95½	95	101½	.....
Thursday..26	108½	.....	106½	.....	95½	95½	101½	.....
Friday.....27	108½	.....	106½	103	95½	.....	101½	.....
Saturday.. 28	.....	.....	106½	.....	95½	.....	101½	.....
Sunday....29	.....	.....	.....	.....	.....	.....	.....	.....
Monday....30	.....	108½	105½	102½	94½	.....	101½	100%
Opening.	105½	105	104½	100%	92	92½	100%	90½
Highest	108½	108½	106½	102½	96½	95½	101½	101½
Lowest.....	104½	104½	103	100%	91½	91½	100%	90½
Closing.....	108½	108½	105½	102½	95½	95½	101½	100½

During the month it has been given out that McCulloch is soon to put a new loan on the market, and the idea, in the presence of the rapid improvement in

Government credit, has been received with favor. If it is really acted upon, it is hoped that two or three features will be observed. And first, our new consols should not bear more than five per cent interest, nor should they be negotiated below par. During the war there was an attempt made to negotiate a large five per cent loan at par. The success of the attempt did not equal the wishes of its promoters, and even now the Ten-forty five per cents are less popular than they deserve to be. Now before our new consols could be negotiated at par, the Ten-forties must rise to about the same price. And there are indications that this point will be reached in a very short time. For their price has been steadily advancing for some weeks past; in consequence, partly of the increased demand from the National Banks, which hold a very large proportion of the 190 millions of these bonds. No one who has watched the market for Government securities can doubt that in the present and prospective state of the national credit, we shall be able to borrow at five per cent all the money we want, to pay off our obligations as they fall due, and to consolidate into five per cent long bonds, at par, all our short date securities at maturity. Moreover we need not be in any inordinate haste to realize this plan. Our consolidated five per cents will, of necessity, be long bonds, and will probably have to run forty years absolutely. That is, we shall pledge our national credit to the payment for more than one-third of a century, of an annuity of five per cent to the public creditors. This offer now is a very different thing from what it would have been a year ago. Our immense revenues from internal taxation, our resuscitating industry North and South, our inconceivably vast resources in mineral, manufacturing and agricultural wealth, the rapid absorption of our disbanded armies in the ranks of our productive laborers; these, and a thousand other things, have, during the past year, given such an impulse to the national credit, and to the production of national wealth, that an offer of five per cent interest now will command a very much higher bid in the money market. Moreover, national credit is still improving. A year hence it will have made an equal advance, or probably a greater advance, than in the past. Now our argument is that we shall in a few months find it more easy to negotiate five per cent bonds at par, than we found it during the last fiscal year to negotiate six per cents at the same price. And it is a very gratifying circumstance that we can afford to wait; for such is the present position of the debt, that no part of it becomes due for more than a year, except such as can be easily provided for. We need not, therefore, be in any hurry to put our plans of consolidation into effect. To anticipate, to put in hasty premature operation an ill-considered scheme, might endanger our success, or would, at least, retard it.

Railroad Stocks have been active during the month, and renewed confidence is felt in them on account of the continued large receipts. Below are the March earnings of the principal roads comparing those of the two years, 1865 and 1866:

Railroads.	1865.	1866.	Difference.
Chicago and Alton.....	\$299,068	\$304,865	Inc. \$5,822
Chicago and Great Eastern.....	88,450	111,102	" 27,652
Chicago and Northwestern.....	499,296	523,744	" 24,448
Chicago and Rock Island.....	289,403	226,251	Dec. 63,152
Cleveland and Pittsburgh.....	222,411	167,007	" 55,404
Erie (including Buffalo & W.Division).....	1,831,124	1,070,484	" 760,690
Illinois Central.....	416,665	516,822	" 99,848
Marietta and Cincinnati.....	98,508	82,910	" 10,598

Michigan Central.....	844,298	837,158	"	7,140
Michigan Southern.....	413,822	412,393	"	1,429
Milwaukee and St. Paul.....	95,905	124,175	Inc.	28,270
New York Central.....	955,659	1,150,000	"	194,341
Ohio & Miss., Eastern Division.....	184,581	191,827	"	7,246
" " Western.....	120,833	134,409	"	13,576
Pittsburg, F. Wayne & Chicago.....	857,583	654,390	Dec.	203,193
Western Union.....	82,878	89,299	Inc.	6,421
Total (16) roads.....	\$6,447,904	\$6,046,806	Dec.	\$401,098

This shows that the gross earnings during March was very nearly equal those for the corresponding month of last year. The greatest falling off has been in the Illinois Central, the Erie, and the Pittsburg, Fort Wayne and Chicago lines. The average loss is so small as even to constitute a vast gain over the popular pre-estimate, or what was expected; and the general result so favorable as to have materially affected the stock market, as stated above. The war having ceased, the peculiar business it created has ceased also. But a healthier and more regular business is fast taking the place of that which has been lost, and the railroad business of the country shares largely in the restored movement. The commerce of peace, indeed, has been fully re-established, and the business of the country generally is in a very satisfactory condition. We will now aggregate the earnings for the first quarter of the current year. The following table shows the gross earnings of only 13 of the roads included in the preceding table, the complete returns of the three omitted roads not being within our reach:

Railroads.	1865.	1866.	Difference.
Chicago and Alton.....	\$854,848	\$722,909	Dec. \$131,839
Chicago and Great Eastern.....	288,570	277,855	Inc. 10,715
Chicago and Northwestern.....	1,522,465	1,452,944	Dec. 69,521
Chicago and Rock Island.....	841,248	637,970	" 203,278
Erie.....	3,413,759	3,241,289	" 172,470
Illinois Central.....	1,717,173	1,611,677	" 105,496
Michigan Central.....	929,689	885,892	" 43,797
Michigan Southern.....	1,143,679	1,010,168	" 133,511
Milwaukee and St. Paul.....	280,614	378,503	Inc. 97,889
Ohio & Miss., Eastern Division.....	477,618	493,854	" 16,236
" " Western.....	334,657	346,033	" 11,376
Pittsburg, F. Wayne & Chicago.....	2,226,232	1,684,617	Dec. 541,615
Western Union.....	118,359	120,407	Inc. 2,048
Total (18) roads.....	\$14,093,941	\$12,863,678	Dec. \$1,230,263

The falling off for the first quarter of 1866 is thus equivalent to 8.72 per cent as compared with the earnings for the same period in the preceding year. Nor is this diminution of gross earnings, though proportionately greater than for the last single month, excessive, and when it is also considered that the large military traffic of 1865 does not exist in 1866, the wonder appears to be that the falling off should have been so light. The fact is, the railroads on the whole are doing exceedingly well, far better than was anticipated.

The following are the prices during the month:

	April 6.	April 13.	April 20.	April 27.
New York Central.....	92½	98	92½	95
Hudson River.....	109½	109½	106½	110½
Erie.....	74½	74	72½	73½
Reading.....	101	104	108	106½
Mich. So. and N. I.....	81	80½	81½	82½
Illinois Central.....	116	114½	114	122½
Cleveland and Pittsburg.....	79½	80½	80½	79½
Chicago and N. W.....	26	26½	26½	27
Chicago and R. I.....	113½	116½	120	119½
Pittsburg, Fort Wayne and Chicago...	90½	91½	96	92

Our table of the imports of Dry Goods the past month shows a decrease compared with the previous months of the year. The extensive amount which began with August, 1866, reached its culminating point in February last, and has since been on the decrease and the arrivals will probably be comparatively light during remaining months of this fiscal year. The figures for the four months are very greatly in excess of the previous years, being \$55,796,357 this year, against \$15,268,630 for 1865, and \$35,477,140 for 1863. While we are importing so extensively, it is gratifying to know that our exports are also unusually large. The total cotton exported from the whole country since September has been a little over 1,259,000 bales, thus giving the United States a credit abroad of about \$200,000,000. The following is the movement of foreign dry goods at New York for April:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF APRIL.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$880,954	\$1,543,587	\$910,037	\$1,763,674
do cotton.....	285,675	494,666	859,347	1,646,906
do silk.....	655,567	1,085,432	725,972	1,295,425
do flax.....	419,287	810,588	381,395	1,247,193
Miscellaneous dry goods.....	159,809	332,168	184,596	687,188
Total entered for consumption.....	\$2,350,802	\$4,273,441	\$2,509,347	\$6,640,286

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$373,656	\$1,072,236	\$525,299	\$1,818,949
do cotton.....	86,226	324,103	313,291	777,933
do silk.....	235,352	533,368	288,331	893,563
do flax.....	113,442	503,733	283,752	682,620
Miscellaneous dry goods.....	33,977	71,669	46,356	135,056
Total withdra'n from wareh'se.....	\$847,653	\$2,205,109	\$1,457,029	\$4,308,121
Add entered for consumption.....	2,350,802	4,273,441	2,509,346	6,640,286
Total thrown on the market	\$3,198,455	\$6,778,550	\$3,966,376	\$10,948,407

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$689,695	\$487,551	\$391,108	\$1,578,336
do cotton.....	506,106	92,727	212,271	572,138
do silk.....	291,611	154,697	211,893	756,657
do flax.....	474,123	143,410	460,187	526,482
Miscellaneous dry goods.....	71,605	68,449	84,900	156,487
Total entered for warehousing.....	\$2,033,205	\$946,804	\$1,360,359	\$3,590,094
Add entered for consumption.....	2,350,802	4,273,441	2,509,347	6,640,286
Total entered at the port.....	\$4,384,007	\$5,220,245	\$3,969,706	\$10,230,380

Below we give the figures for the four months of the year:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR FOUR MONTHS FROM JANUARY 1ST.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$6,861,142	\$12,059,835	\$3,913,621	\$12,915,558
do cotton.....	2,512,164	3,784,246	1,458,459	7,884,277
do silk.....	8,633,481	7,405,105	2,157,747	8,334,363
do flax.....	3,091,743	4,003,485	1,975,910	5,997,799
Miscellaneous dry goods.....	1,122,950	1,826,732	646,607	3,192,021
Total entered for consumption.....	\$17,221,480	\$29,079,443	\$10,147,344	\$38,324,018

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$1,251,563	\$2,794,352	\$1,270,219	\$5,845,379
do cotton	543,839	1,191,681	1,871,149	2,836,245
do silk.....	910,315	1,617,854	1,344,587	2,861,796
do flax.....	494,850	1,367,213	1,529,394	2,100,479
Miscellaneous dry goods.....	164,264	230,825	341,542	491,032
Total withdra'n from wareh'se.....	\$2,374,861	\$7,201,625	\$6,966,861	\$14,566,022
Add entered for consumption.....	17,221,480	29,079,443	10,147,344	28,324,018
Total thrown on the market	\$20,596,341	\$36,281,078	\$17,104,225	\$52,912,943

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$2,560,009	\$3,061,028	\$1,870,949	\$7,838,239
do cotton.....	1,810,197	712,144	991,963	2,039,608
do silk.....	1,351,638	1,335,741	707,944	2,363,189
do flax.....	1,167,805	971,313	1,312,012	2,195,661
Miscellaneous dry goods.....	253,441	237,616	259,118	545,487
Total entered for warehousing.....	\$6,661,145	\$6,897,597	\$5,121,296	\$17,839,399
Add entered for consumption.....	17,221,480	29,079,443	10,147,344	28,324,018
Total entered at the port.....	\$23,882,625	\$35,977,140	\$15,268,640	\$55,706,367

Below we give the movement of gold through the month :

COURSE OF GOLD FOR APRIL.

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Customs receipts.	Interest payments	Sub-Treasury Gold Certificates issued.	Gold Certificates returned.	In banks at close of week.
Jan. 6.....		\$552,027	\$2,107,341	\$3,597,240	\$2,122,440	\$1,24,8832	\$15,778,741
" 13.....	\$685,610	640,503	2,334,604	1,130,739	2,306,180	1,578,194	16,502,608
" 20.....	799,706	635,894	2,754,369	574,162	2,706,408	1,928,641	15,265,372
" 27.....		659,812	3,226,040	279,542	2,599,400	2,127,048	13,106,759
Feb. 3.....	\$44,879	292,568	3,347,422	116,204	2,081,220	2,221,423	10,937,474
" 10.....	1,449,074	4,3409	3,251,734	120,179	1,916,700	2,376,725	10,129,606
" 17.....		445,439	2,893,008	94,828	2,992,900	2,153,009	10,808,756
" 24.....	1,309,048	530,196	2,608,796	119,779	5,898,220	1,995,796	14,213,361
Mar. 3.....		75,463	3,326,934	1,133,343	2,126,000	2,664,934	17,131,180
" 10.....	1,409,220	556,284	2,297,836	882,712	2,101,000	1,706,836	16,563,227
" 17.....	1,425,253	236,671	2,464,482	322,593	1,498,400	1,919,482	15,015,342
" 24.....	339,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,661
" 31.....	732,257	8,500	2,451,345	225,414	1,376,000	1,865,334	11,930,712
Apr. 7.....		276,842	2,638,010	63,140	3,016,840	2,120,010	11,436,226
" 14.....	729,923	122,623	2,857,704	49,600	5,038,460	2,274,704	11,025,129
" 21.....	809,469	117,312	2,526,586	85,169	4,207,000	1,971,586	9,495,461
" 28.....		73,680	2,246,307	40,506	4,137,140	1,780,307	8,242,997

Since Jan 1..... \$10,004,970 \$4,149,007 \$46,136,009 \$2,015,711 \$48,871,700 \$22,944,272 \$.....

The following gives the amount of specie exported from New York to foreign ports from January 1 to the close of April :

1866.....	\$3,079,764	1861.....	\$2,876,296	1856.....	\$7,901,843
1865.....	5,461,216	1860.....	7,177,784	1855.....	9,327,300
1864.....	16,158,682	1859.....	14,279,959	1854.....	8,937,069
1863.....	17,148,514	1858.....	10,079,919	1853.....	4,730,824
1862.....	12,944,101	1857.....	9,423,150	1852.....	7,232,761

The following is an official statement of the total amount of Gold Certificates issued and redeemed up to April 30 :

Denominations.	Issued.	Redeemed.	Outs'd'g.
20s.....	\$132,620	\$83,900	\$48,720
100s.....	2,504,500	1,372,200	1,132,300
1,000s.....	10,608,000	7,952,000	2,656,000
5,000s.....	53,500,000	47,565,000	5,935,000
10,000s.....	880,000	860,000	.....
Total.....	\$67,605,120	\$57,833,100	\$9,772,020

The following statement shows the daily fluctuations of foreign exchange on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for the month of February, 1866 :

COURSE OF EXCHANGE FOR APRIL.						
Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	106½@106½	537½@532½	39½@40½	76½@77½	85½@85½	70 @70½
2.....	106½@106½	533½@528½	39½@40½	76½@77½	85½@85½	70 @70½
3.....	106½@106½	528½@528½	39½@40½	76½@77½	85½@85½	70 @70½
4.....	106½@106½	535 @530	39½@40½	76½@77½	85½@85½	69½@70½
5.....	106½@106½	535 @528½	39½@40½	76½@77	85½@85½	70 @70½
6.....	106½@106½	534 @531½	39½@40½	76½@77	85½@85½	70 @70½
7.....	106½@106½	.....	.....	.....	.....	.....
8.....	106½@106½	535 @530	39½@40½	76½@77	85 @85½	69½@70½
9.....	107 @107½	532½@527½	40 @40½	76½@77½	85½@85½	70½@70½
10.....	107½@107½	531½@527½	40 @40½	77 @77½	85½@85½	70 @70½
11.....	107½@107½	530 @526½	40 @40½	76½@77½	85½@85½	70 @70½
12.....	107½@107½	528½@526½	40½@40½	76½@77½	85½@85½	70 @70½
13.....	107½@107½	528½@526½	40½@40½	76½@77½	85½@85½	70 @70½
14.....	107½@107½	528½@526½	40½@40½	76½@77½	85½@85½	70 @70½
15.....	107½@107½	528½@525	40½@40½	77 @77½	85½@85½	70½@70½
16.....	107½@108	528½@523½	40 @40½	77½@77½	85½@85½	70½@71
17.....	107½@108	528½@523½	40 @40½	77½@77½	85½@85½	70½@71
18.....	107½@108	528½@523½	40 @40½	77½@77½	85½@85½	70½@71
19.....	107½@108	528½@523½	40 @40½	77½@77½	85½@85½	70½@71
20.....	107½@107½	528½@525	40½@40½	77 @77½	85½@85½	70 @70½
21.....	107½@107½	528½@525	40½@40½	77 @77½	85½@85½	70 @70½
22.....	107½@107½	528½@528½	40 @40½	76½@77½	85½@85½	70½@70½
23.....	107½@107½	528½@525	40½@40½	77 @77½	85½@85½	70½@71
24.....	107½@108½	530 @522½	40½@40½	77½@78	85½@86	70½@71
25.....	108 @108½	526½@524½	40½@41	77½@78	85½@85½	70½@71½
26.....	108 @108½	527½@521½	40½@41	77½@78½	85½@86	70½@71½
27.....	108 @108½	527½@526½	40½@41	77½@78½	85½@86	70½@71½
28.....	108 @108½	.....	.....	.....	.....	.....
29.....	106½@108½	528½@517½	40½@41	77½@78½	85½@86½	71 @71½
30.....	106½@108½	537½@517½	39½@41	76½@78½	85 @86½	69½@71½
Apr.....	106½@108½	530@ 518½	40 @41	77 @78½	85½@86½	70½@71½
Mar.....	107½@108½	532½@517½	40½@41	77 @79	85½@86½	70½@71½
Feb.....	108 @109½	523½@515	40½@41	78 @79½	86 @86½	71 @71½
Jan.....	.....	.....	.....	.....	.....	.....

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Over-issue of National Bank Notes—Act to withdraw from Circulation and Re-distribute the Currency—Quarterly returns of National Banks—Weekly returns of National Banks of the United States, also returns of the Banks of the three cities.

THE general interest which attaches to the questions affecting the amount and the distribution of our paper money, induces us to print in full, elsewhere, the letter sent by Secretary McCulloch to the Chairman of the Finance Committee of the Senate on the 23d inst. This document, with the accompanying tables, is extremely suggestive, and will well repay the most careful examination.

Among other important points on which it throws light, is the authorized over issue of notes, which has recently been the subject of inquiry. The law provides that the total currency of the national banks shall never exceed 300 millions, and that this sum shall be equitably distributed among the States: one-half being apportioned according to the representative population, and the other half according to the discretion of the Secretary of the Treasury, having due regard to the monetary requirements of the several States. To prevent any misapprehension, we copy the precise words of the National Currency act, as amended by the law of March 3, 1865. This measure provides "that one hundred and fifty millions of dollars of the entire amount of circulating notes authorized to be issued shall be apportioned to associations in the States, in the District of Columbia, and in the Territories, according to representative population, and the remainder shall be apportioned by the Secretary of the Treasury among associations formed in the States, in the District of Columbia, and in the Territories, having due regard to the existing banking capital, resources and business of such States, district and territories." It has been reported that contrary to this law, several of the States have been allowed more than their fair share of the 300 millions of notes, and this report appears to be fully confirmed by the statistics given in Mr. McCulloch's letter. Under what authority the large over-issue has been made we are not informed, but Congress and the people have clearly the right to require the fullest information on this subject.

The remedy for the evil is obviously to be found in the withdrawal of the over-issued currency, and on the 9th of April Mr. Sherman introduced a bill for this purpose into the Senate. This bill does not attempt to interfere with the distribution of the 150 millions of notes which were given by the law of 1863 to the discretion of the Secretary of the Treasury. It deals only with the 150 millions which, as that law distinctly and positively enacts, are to be distributed according to representative population. These notes, and these only, it "requires" the Secretary of the Treasury to distribute as the law of 1865 has directed. And all notes issued contrary to this principle are to be gradually withdrawn. The following is a copy of the bill which is marked No. 256 on the list of the Senate documents:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to secure a better distribution of the national

currency, the Comptroller of the Currency is hereby authorized and required to apportion one-half of the circulation now authorized by law among the several States and Territories according to their population by the census of 1860; and he is authorized and required to organize national banking associations in such States and Territories as have not such proportion of national currency, with authority to issue circulation to an amount equal to such proportion; but only as the circulation now authorized shall be reduced in the manner herein provided for, and so that the aggregate circulation of national banks shall not any time exceed the sum of three hundred millions of dollars.

Sec. 2. *And be it further enacted,* That to enable the Comptroller of the Currency to comply with the previous section, the circulation of national banking associations now authorized shall be reduced an amount sufficient for that purpose, and upon the following principles: Where the amount of circulation now authorized exceeds twenty dollars for each inhabitant according to the census of eighteen hundred and sixty, all such excess shall be withdrawn; and if such sum is not sufficient for said purpose, the residue shall be ratably withdrawn in such States in which the circulation now authorized is the highest for each inhabitant.

Sec. 3. *And be it further enacted,* That the Comptroller of the Currency, with the approval of the Secretary of the Treasury, is authorized and required to apportion the said reduction among the several banking associations in such States or Territories according to the preceding section, and requiring of each association in a State to withdraw circulation in proportion as the circulation authorized by it bears to the aggregate circulation authorized in such State. That within six months from the passage of this act the Comptroller of the Currency shall give notice to each banking association whose circulation is reduced of the amount of such reduction.

Sec. 4. *And be it further enacted,* That each banking association receiving such notice shall, within six months thereafter, withdraw its circulation to the extent so required, and shall surrender the same to the Comptroller of the Currency to be cancelled, and may thereupon withdraw a proportionate amount of the bonds of the United States on deposit as security for such circulation. That on failure to withdraw such circulation within the time stated, the Secretary of the Treasury is hereby required to retain in the treasury any of the notes of such banking association that may come into the treasury, and shall retain and hold any interest due or to become due such banking association on its bonds until such reduction is made, and shall from time to time sell so many of the said bonds as are sufficient to pay for the notes received into the treasury as aforesaid, which notes shall thereupon be cancelled.

Sec. 5. *And be it further enacted,* That the Secretary of the Treasury shall make and publish such rules and regulations as are necessary to carry this act into effect.

It will at once be seen that this law is remedial in its character. It does not enact any new principle of distributing the national banks. It merely recognizes and re-enacts the old rule of representative population, laid down and recognized from the first in the National Banking law; and this principle it expressly limits to one-half of the authorized circulation, leaving the other half entirely to the discretion of the Secretary of the Treasury. We approve of Mr. McCulloch's views as to the importance of extending banking facilities to the South, with the view of developing its resources and stimulating its productive powers. But we only echo the general voice of the business community when we express the wish that he had informed the people why the enormous over-issue of notes was made, which has required such a remedy as that which the bill before us endeavors to apply.

The quarterly reports of the National Banking Associations of the United States for the first Monday of April, is just published and below is an abstract; showing their condition on the morning of the first Monday in July and October, 1865, and January and April, 1866, before the commencement of business on that day:

LIABILITIES.

	July '65.	Oct. '65.	Jan. '66.	April '66.
Loans and discounts.....	\$361,806,477	\$485,314,029	\$498,843,447	\$525,953,517
Overdrafts.....	1,136,265	1,856,107	1,806,662	2,125,014
Real estate, furniture, etc.....	11,231,257	14,703,284	15,436,296	15,866,564
Expense account.....	2,333,775	4,539,525	3,193,717	4,927,660
Premiums paid.....	2,943,210	2,585,301	"	2,235,516
Remit's, & other cash items.....	41,314,904	72,09,854	89,837,684	105,490,619
Due from National Banks.....	78,977,539	89,973,981	107,912,780	87,564,350
Due from other banks and bankers.....	26,078,028	17,393,232		13,622,965
U. S. bonds deposited to secure circulation	391,744,850	272,634,200	440,380,450	315,850,390
Other U. S. bonds and securities.....		150,577,400		123,625,750
Bill's, etc., of other banks.....	21,857,826	16,247,211	20,406,442	13,273,114
Specie.....	9,437,060	14,966,144	16,909,965	13,854,402
Other lawful money.....	168,426,165	193,004,965	187,846,546	193,542,730
Other stocks, bonds, etc.....	12,569,120	19,643,518	19,907,675	17,371,770
Aggregate.....	\$1,126,455,481	1,359,768,074	1,402,480,964	1,442,471,731

RESOURCES.

Capital stock paid in.....	\$325,894,558	\$393,157,206	\$403,357,346	\$409,772,651
Notes in circulation.....	131,452,158	171,321,903	213,239,530	249,866,728
Individual deposits.....	896,634,883	495,979,818	513,608,668	530,231,333
U. S. deposits.....	58,032,720	46,170,381	29,747,236	23,151,770
Due to National Banks.....	78,261,045	90,044,837	118,502,658	89,067,552
Due to other banks.....	79,591,594	94,366,182		21,841,642
Surplus funds.....	81,803,565	88,713,381	71,472,863	44,677,519
Profits.....	23,159,408	82,350,274		31,944,423
Nat'l Bank circulation outstanding.....	"	59,768,963	45,413,275	33,500,465
Dividends compared.....	4,722,725	4,931,060	6,639,165	4,451,765
Other items.....	412,871	944,054		"
Aggregate.....	\$1,126,455,481	1,359,768,074	1,402,480,964	1,442,471,731

The following comparison shows the progress of the National Banks, in respect to number, capital and circulation, from January 6. 1866.

Date.	Banks.	Capital.	Circulation.
January 6.....	1,626	407,549,203	240,054,589
" 18.....	1,626	407,599,203	252,925,422
" 20.....	1,628	407,759,203	265,063,540
" 27.....	1,628	407,759,203	263,734,715
February 8.....	1,628	407,759,203	251,350,059
" 10.....	1,629	407,859,203	253,116,320
" 17.....	1,629	407,858,203	254,922,753
" 24.....	1,629	407,858,203	257,072,919
March 8.....	1,630	407,858,203	258,431,790
" 10.....	1,637	409,408,203	260,556,735
" 17.....	1,643	409,408,203	261,621,529
" 24.....	1,643	409,418,203	262,710,477
" 31.....	1,644	"	264,747,117
April 7.....	1,645	"	265,322,589
" 14.....	1,645	"	266,543,580
" 21.....	1,645	"	268,023,049
" 28.....	1,650	"	269,240,255

The returns of the Banks of three cities we give below. It will be seen that gold in New York Banks is less than any previous exhibit :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'g
Jan. 6, 1866...	\$233,185,059	\$15,773,741	\$18,588,428	\$195,482,254	\$71,617,487	\$370,417,280
" 18.....	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	308,021,471
" 20.....	239,837,726	15,265,897	20,475,707	198,816,948	72,799,808	533,998,211
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,222,623
Feb. 8.....	242,510,883	10,937,474	21,494,234	191,011,695	68,795,250	508,989,123
" 10.....	242,606,872	10,129,806	22,240,469	188,701,463	68,436,013	498,431,659
" 17.....	243,068,252	10,308,758	22,983,274	189,777,290	64,802,960	471,866,751
" 24.....	239,776,200	14,213,851	22,959,918	183,241,404	61,002,726	497,130,067
Mar. 3.....	235,339,412	17,181,130	22,994,066	181,444,378	58,780,145	536,539,559
" 10.....	233,068,274	16,563,287	21,033,297	180,515,881	64,241,809	504,304,111
" 17.....	233,517,378	15,015,242	23,303,057	185,436,707	63,402,764	579,216,300
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	60,493,092	582,443,364
" 31.....	237,316,099	11,930,392	23,736,534	188,554,592	72,156,090	539,900,640
Apr. 7.....	242,643,753	11,486,295	24,127,061	189,094,981	71,445,045	602,213,765
" 14.....	244,009,899	11,085,129	24,533,961	193,153,469	72,210,270	572,527,533
" 21.....	242,067,063	9,495,463	24,045,357	196,803,578	77,622,066	535,894,753
" 28.....	245,017,692	8,243,937	25,377,250	202,718,574	80,589,092	545,829,965

* Included elsewhere.

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.					
Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,369	\$35,342,306
" 8.....	17,236,820	46,774,150	983,685	7,819,528	86,618,004
" 15.....	17,267,412	47,350,428	1,007,186	7,357,972	86,947,700
" 22.....	17,052,559	47,254,622	1,012,980	7,411,337	86,214,652
" 29.....	16,241,277	47,607,558	1,008,825	7,432,534	85,460,881
Feb. 3.....	16,481,005	47,233,661	1,000,689	7,668,865	84,681,135
" 10.....	16,852,737	47,249,383	996,312	7,819,599	84,464,070
" 17.....	16,777,175	46,981,337	953,207	7,843,002	83,926,542
" 24.....	17,282,602	46,865,542	1,026,408	7,732,070	83,052,252
Mar. 3.....	17,447,635	46,604,752	1,041,892	8,161,049	82,835,094
" 10.....	17,292,534	46,546,878	1,055,694	8,248,100	82,504,508
" 17.....	16,875,608	46,690,788	1,026,063	8,438,184	82,102,427
" 24.....	15,969,814	46,642,150	981,932	8,580,200	82,144,250
" 31.....	15,954,892	46,643,488	990,630	8,666,230	82,257,652
April 7.....	16,622,233	46,028,641	946,282	8,720,270	82,762,280
" 14.....	18,323,759	45,114,699	949,116	8,743,396	84,640,864
" 21.....	18,660,513	45,762,733	936,876	8,761,212	85,448,955
" 28.....	18,949,719	46,832,734	890,241	8,779,166	86,032,862

The returns of the Boston Banks have been as follows :

BOSTON BANK RETURNS.						
(Capital Jan. 1, 1866, \$41,900,000.)						
	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation—	
					National.	State.
January 1.....	\$91,421,477	\$801,415	\$19,807,800	\$38,451,794	\$21,497,854	\$1,404,721
" 8.....	92,245,129	1,031,827	19,914,065	41,718,132	21,806,180	1,822,793
" 15.....	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,273,948
" 22.....	92,665,111	1,040,114	20,750,698	40,300,649	22,034,642	1,215,675
" 29.....	92,877,783	1,008,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5.....	94,573,358	805,237	20,568,125	40,436,168	22,325,478	1,125,728
" 12.....	94,083,827	692,591	20,412,589	38,768,019	22,348,688	1,057,823
" 19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,033,391
" 26.....	93,539,040	521,292	20,262,177	36,398,481	22,887,971	1,048,022
March 5.....	92,990,512	556,856	20,034,968	35,581,876	22,606,835	1,006,719
" 12.....	90,705,159	623,938	19,905,120	35,297,498	22,730,329	721,509
" 19.....	91,902,811	606,992	20,470,018	36,696,821	24,018,916	910,740
" 26.....	91,931,236	513,153	20,913,521	35,887,368	23,019,887	901,620
April 2.....	92,351,979	532,556	20,761,014	36,697,227	23,087,693	869,329
" 9.....	92,142,975	487,455	20,334,570	37,426,560	23,266,612	830,069
" 16.....	91,250,882	457,648	19,902,647	37,606,696	23,635,043	777,198
" 23.....	86,120,897	411,693	19,309,145	36,946,152	22,469,488	744,041
" 30.....	86,723,001	401,113	19,549,614	38,396,210	22,856,656	744,425

From the foregoing returns it will be seen that the deposits have increased in each case during the month ; the aggregate now reaching over \$275,000,000 thus showing an increasing accumulation of idle capital in the financial centers.

THE TRANSMUTATION OF METALS.

The alleged discovery of the grand *reve* of alchemist of olden times—the philosopher's stone—whereby silver, mercury, and copper can be transformed into gold, has been just announced, in a memoir entitled "The Transmutation of Metals, presented to the Academy of Sciences," by MM. Henri Favre, doctor of medicine, chief editor of *La France Medicale*, and Juste Frantz, metallurgist ; and on the evening of the 17th of February, M Favre delivered in Paris a lecture on this subject to, as may have been expected, a densely crowded audience. The following is a *resume* of the pretended discovery as explained in that lecture. Hitherto the science of chemistry has been founded upon two terms essentially distinct—extraction and combination. Analysis represents the first, and synthesis the latter. Now, to these two terms we must add a third—transmutation, always suspected to exist, but never proved. To do this it must be under-

stood that all bodies in nature owe their respective properties solely to the fixations of forces passing momentarily to a static state, but always "evolutive" in a disposable field of action. These substances are then all produced by the action of one original and common principle brought into action. The transmutation is effected by condensation, or by the displacement of the forces which hold them for the moment in equilibrio. It is an exchange between the dynamo-tensional efforts exerted by the agent employed, and, since the metals, simple in their chemical order, are compound in their dynamo-static state, it follows that the transmutation of metals can always take place, provided they are in media, in which the suitable elementary conditions will exist to effect the different changes. Such are the principles on which depend the operations of metallic transmutation. They have their laws. The first is that of solutions. It is on the difference of solubility of the metals that all the secret of transmutation empirically depends. The decisive transmutation of silver into gold, show that it depends on two distinct operations—the first is to change the state of the silver, producing another substance which is not yet gold; the second consists in bringing the condition of this new undetermined substance to the state of pure gold. The process is thus described: A certain quantity of chlorhydrate of ammonia is dissolved in liquid ammonia; this salt should be reduced to a fine powder. If the solution be turbid it is to be filtered; chloride of silver, perfectly white and humid, is then added, and the bottle well shaken up. The chloride of silver is dissolved, the solution becomes yellow, and deposits a precipitate of the same color, which must be collected most carefully. The characters of this powder are: 1. When introduced into aqua regia it is completely dissolved, and a new addition of ammonia precipitates it. 2. It is not fulminating. 3. Lastly, it furnishes gold by the galvanic pile—that is to say, when placed between the two poles of one of Bunsen's elements. Here is produced the most remarkable phenomenon—a transformation and a separation simultaneously. The ammonia is the dissolvent of the chloride of silver, and at the same time the reactive of the metal transformed by the chlorine.

BULLION IN THE BANK OF ENGLAND.

A parliamentary return collects and republishes the weekly accounts of the bullion held by the Bank of England in the last six years, to meet its notes when presented. The range has been from £17,565,000 to £10,712,000. In 1860 the amount was as high as £15,752,000 in July, but had fallen to £12,094,000 in December. In 1861 it continued further to decrease, until it had fallen to £10,712,000 in July, after which it advanced, and reached £14,939,000 at Christmas. In 1862 it continued to advance, and was £17,565,000 in July, after which it declined, and was down to £13,939,000 in December. In 1863 it increased a little, and reached £14,734,000 in September, but had fallen to £12,279,000 in December. In 1864 it had advanced to £14,702,000 in March, but was down to £11,778,000 in May. It then recovered, and in 1865 had reached £15,428,000 in June, then falling until it went to £11,956,000 in October. In the first six weeks of 1866, to which the return extends, the range was between £12,075,000 and £12,400,000.

THE IRON-CLAD NAVY OF ENGLAND.

The *London Times* publishes the following list of the iron-clad vessels of the British Navy, including the *Northumberland* and *Bellerophon*, the latest accessions :

Ship's name.	Ton-nage.	L'gth. feet.	Protect- ed guns.	Armor thickn's inches.	Ship's name.	Ton-nage.	L'gth. feet.	Protect- ed guns.	Armor thickn's inches.
Achilles*	6,221	380	26	4½	Prince Consort.	4,045	273	32	4½
Black Prince*	6,109	380	26	4½	Royal Alfred .	4,068	273	32	6 & 4½
Warrior*	6,109	380	26	4½	Royal Oak.....	4,056	273	32	4½
Agincourt*	6,621	400	36	5½	Zealous.....	3,746	252	16	4½
Minotaur*	6,621	400	36	5½	Bellerophon ...	4,246	300	12	6
Northumb'l'd*	6,621	400	36	5½	Pallas.....	2,372	226	5	4½
Hector*	4,069	280	32	4½	Favourite.....	2,094	225	3	4½
Vallant*.....	4,063	280	32	4½	Research.....	1,253	195	4	4½
Defence*.....	3,720	280	16	4½	Enterprise.....	993	190	4	4½
Resistance* ...	3,710	280	16	4½	Viper.....	737	160	2	4½
Caledonia.....	4,125	273	32	4½	Vixen.....	754	160	2	4½
Ocean.....	4,047	273	32	4½	Waterwitch ...	777	162	2	4½
Lord Clyde....	4,067	280	34	} 4½ & 5½ & 6 in.	Prince Albert..	2,529	240	6	4½
Lord Warden..	4,067	280	34		Royal Sover'gn	3,765	240	5	5½
					Scorpeon.....	1,857	220	4	4½ & 3
					Wivern.....	1,857	220	4	4½ & 3

The ships whose names are marked with a star are all of iron. The others are of wood, heavily plated with iron, with a timber "backing, varying in thickness from 29½ to 36 inches.

The *Northumberland* could not get off the ways when an attempt was made to launch her a few days ago. It is said that she is the best of her class, although the English journals write in sharp criticism of the details of the whole. The *Times*, for instance, says :

"It is very much to be wished that among the other reforms which these iron-clads seem to be introducing, the admiralty would adopt the French system of fastening on the plates with what are termed wood screws instead of through bolts. The latter weaken the plate very considerably and do not hold it on at all, whereas the trials made with the French system of fastening at Shoebury showed it to be so superior to ours as to be literally above any degree of comparison."

The plated deck-tower is unusually high in the *Northumberland*, and is divided into two stories, the lower to be occupied in action by riflemen only, while the upper story is to be used by those in command of the ship, and from which also the vessel can be steered in action.

The draught of water of the largest iron-clads is as follows : Achilles 25 feet 11 inches forward and 26½ inch aft, speed 14,322 knots. Black Prince, 26 feet forward 27 feet aft, speed 13,502 knots. Prince Consort 23 feet 8 inches forward, 25 feet 8½ inches aft, speed 13,199 knots. Minotaur 23 feet 1 inch forward and 24 feet 1 inch aft, speed 14,781 knots. Warrior 25 feet 6 inches forward and 26 feet 5 inches aft, speed 14,356 knots. The Warrior, at sea-going draught of water, still remains the fastest ship under steam in the British navy.

GOLD IN NEW ZEALAND.

A mighty change seems to be dawning over the destiny of New Zealand. The sand on its sea-shore, the rivers flowing through the length and breadth of its land and the mountain ranges from the north to the south of each island, all seem impregnated with gold to a greater or lesser degree. The Hokitika diggings since they have been worked, a period of only a few months, have turned out about £700,000 worth of the precious metal. A correspondent from that locality writes as follows : "And as to the reality of the ground as a goldfield, I think there cannot be much doubt, when within one month more than 45,000 ounces of gold were exported, and I doubt not the present month will be far in excess of this. A few days ago I happen-

ed to be out riding, and selected the beach north of the town, on which to take exercise, and found the whole of the beach for miles was being occupied with diggers, who are mining just above highwater mark, and are washing out of the sea-sand sufficient gold to produce from £5 to £20 per week per man. In fact, nearly the whole coast—from the Grey River down to Bruce Bay is a magnificent goldfield; and inland too, for miles, men are gradually extending the field. During the last fortnight there have been several rushes up to the foot of the snow-capped Southern Alps, where the diggers are finding good payable gold." The total value of New Zealand gold exported from the colony up to the 30th June last was £7 646,809, and the number of ounces was 1,947,607. The principal localities from whence the gold has been obtained hitherto have been Otago and Christchurch provinces, but the whole of New Zealand is believed by geologists to be auriferous.

TREATY WITH JAPAN—A PROCLAMATION BY THE PRESIDENT.

The following Proclamation has just been issued by the President making public the treaty entered into between Japan and the United States:

Whereas a convention between the United States of America and the Empire of Japan, for the reduction of import duties, was concluded and signed by their respective plenipotentiaries, at Yedo, on the twenty-eighth day of January, eighteen hundred and sixty-four, which convention being in the English, Japanese, and Dutch languages is word for word as follows. [The English version alone is here given.]

CONVENTION.

For the purpose of encouraging and facilitating the commerce of the citizens of the United States in Japan; and, after due deliberation, his excellency Robert H. Pruyn, minister resident of the United States in Japan, and his excellency Sibata Sadataro, governor of foreign affairs, both having full powers from their respective governments, have agreed on the following articles, viz.:

ART. 1. The following articles, used in the preparation and packing of teas, shall be free of duties.

Sheet lead, solder, matting, ratan, oil for painting, indigo, gypsum, firing pans, and baskets.

ART. 2. The following articles shall be admitted at the reduced duty of five per cent:

Machines and machinery, drugs and medicines. (Note.—The prohibition of the importation of opium according to the existing treaty remains in full force.) Iron, in pigs or bars, sheet iron and iron wire, tin plates, white sugar, in loaves or crushed, glass and glassware, clocks, watches and watch-chains, wines, malted and spirituous liquors.

ART. 3. The citizens of the United States importing or exporting goods shall always pay the duty fixed thereon, whether such goods are intended for their own use or not.

ART. 4. This convention having been agreed upon a year ago, and its signature delayed through unavoidable circumstances, it is hereby agreed that the same shall go into effect at Kanagawa, on the 8th of February next, corresponding to the first day of the first month of the fourth Japanese year of Bunkin Ne, and at Nagasaki and Hakodate on the 9th day of March next, corresponding to the first day of the second month of the fourth Japanese year of Bunkin Ne.

Done in quadruplicate, each copy being written in the English, Japanese and Dutch languages, all the versions having the same meaning, but the Dutch version shall be considered as the original.

In witness whereof, the above named plenipotentiaries have hereunto set their hands and seals, at the City of Yedo, the twenty-eighth day of January, of the year of our Lord one thousand eight hundred and sixty-four, and of the independence of the United States the eighty-eighth, corresponding to the twentieth day of the twelfth month of the third year of Bunkin Ne of the Japanese era.

[SEAL.]

ROBERT H. PRUYN.

And whereas the said convention has been duly ratified on both parts:

Now, therefore, be it known, that I, Andrew Johnson, President of the United States of America, have caused the said convention to be made public, to the end that the same and every clause and article thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this ninth day of April, in the year of our Lord one thousand eight hundred and sixty-six, and of the independence of the United States of America the ninetyeth.

ANDREW JOHNSON.

By the President:

WILLIAM H. SEWARD, Secretary of State.

SAN FRANCISCO,—ITS DEBT, VALUATION, AND TAXATION.

The funded debt of the City and County is \$4,968,393, against which sinking funds have accumulated to the amount of \$1,000,000, and the provisions are deemed ample for the retirement of bonds within the several periods of maturity. The cash on hand in the treasury at the end of 1865 was \$415,000, exclusive of sinking and interest funds. The outstanding bonds and interest are classified as follows :

City Bonds of 1851, due 1871, 10 per cent.....	\$1,305,500
do 1854, due 1866, 10 per cent	174,500
do 1855, due 1875, 6 per cent.....	329,000
City and County Bonds of 1858, due 1888, 6 per cent.....	1,132,500
do do School Bonds of 1860, due 1870, 10 per cent....	55,500
do do School Bonds of 1861, due 1870, 10 per cent.....	18,000
do do Railroad Bonds of 1862 and 1863, due in 1877 and 1878, 7 per cent	300,000
do do Judgment Bonds of 1863 and 1864, due 1883 and 1884, 7 per cent	1,002,393
do do Pacific Railroad Bonds of 1864, due in 1894, 7 per cent	400,000
do do Pacific Railroad Bonds of 1865, due in 1895, 7 per cent	250,000
Total.....	\$4,968,393

The value of property included in the assessment roll of last year, amounts to \$49,138,027 real and \$39,775,496 personal estate—in all \$88,913,523 ; of which sum about \$21,000,000 will be exempt from taxation, or subject to litigation on questions pending in the Supreme Court, in which is involved the legality of taxing mortgages upon property already assessed to owners of the estate.

Taxes for State, and city and county purposes, are as follows :

City and County—		State—	
General fund.....	\$0 70	General purposes.....	\$0 48
School fund	35	Interest and sinki'g fund, 1857.....	30
Street light fund.....	7½	Interest and sinki'g fund, 1860.....	14
Corporation debt fund.....	43	State Capitol	5
Interest S. F. & S. J. R. bonds	2	Soldiers' relief fund	4
Judgment bonds of 1863 and 1864, sinking fund	7½	Aid to Central Pacific Railro'd.....	8
Interest on said bonds.....	10	Benefit of line officers, C. V	1
Bonds of 1855 sinking fund	3	Soldiers' bounty fund.....	12
Pacific R. R. bo'ds sink'g fund.....	1	School purposes.....	5
Interest on Pacific R. R. bonds.....	8	Total for State purposes....	\$1 15
Street department fund.....	10		
Total for city & county purposes	\$1 97	Total on each \$100 valuation ..	\$3 12

The progress of the city has been marked throughout the year, and it is estimated that 1,075 new buildings were erected, making an aggregate of 15,500 in the city and country. Although real estate, in certain portions of the city, was freely offered for sale during the summer months, at lower prices than were ruling last year, a better demand seems to have prevailed the past few months for most descriptions of property.

The following statement will serve to show the activity of the real estate market during the year 1865, and the comparison with 1864 :

An abstract of Conveyances recorded in the office of the County Recorder of the City and County of San Francisco, from January 1st to December 31, 1865, (both dates inclusive) exclusive of those made for nominal considerations.

Months.	No. of deeds.	Gross amount.	Largest amount.	Aver'ge amount.
January.....	833	\$797,295	\$40,000	\$2,897
February.....	478	1,008,585	80,000	2,100
March.....	489	1,320,565	100,000	2,701
April.....	382	890,305	30,000	2,304
May.....	419	1,156,681	50,000	2,761
June.....	326	843,350	45,000	2,587
July.....	309	694,360	38,500	2,247
August.....	333	766,935	55,000	2,303
September.....	220	763,103	42,000	3,333
October.....	262	758,680	46,000	3,010
November.....	207	583,536	66,593	2,814
December.....	301	1,113,066	100,000	3,698
	4,049	\$10,686,791		\$2,639
In 1864.....	4,663	11,873,166		2,547

BANK NOTES.

A Parliamentary return shows that on the 18th of February, 1866, there were in the hands of the public Bank of England notes amounting to £20,763,000. 1,493,200 were £5 notes; 405,600 were £10 notes; the notes ranging from £20 to £100 amounted in value to £5,963,000, and the notes ranging from £200 to £500 amounted to 1,476,000; there were 1,702 notes of £1,000 out. All this is independent of notes to the amount of £6,287,000 remaining in the banking department of the Bank of England unissued at the moment.

LAWS OF NEW YORK TAXING AUCTION AND BROKERS' SALES.

The following is an official copy of the law just passed by the New York Legislature, taxing sales of merchandise made by auctioneers or brokers:

LAWS OF NEW YORK—BY AUTHORITY. CHAP. 547.

An Act to amend chapter sixty-two of the laws of eighteen hundred and forty-six, and other acts additional to the same.

Passed April 13, 1866.

The people of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Section 1, chapter sixty-two, of the laws of eighteen hundred and forty-six, is hereby amended so as to read as follows:

All goods, wares and merchandise, and other species of personal property, which at any time shall be exposed to sale by public auction, or offered for sale by sample or otherwise by brokers, with the exceptions mentioned in the second section of this act, and in the fifth section chapter seventeen, of part one, of title one of the Revised Statutes, shall be subject, each and every time that they shall be sold, to fees or duties at the following rates, namely:

1. All wines and ardent spirits, foreign or domestic, at the rate of one dollar on every one hundred dollars.

2. All goods, wares, merchandise and effects, imported from any place beyond the Cape of Good Hope, at the rate of fifty cents on every hundred dollars.

3. All other goods, wares, merchandise or effects, which are the production of any foreign country, at the rate of seventy-five cents on every one hundred dollars.

These fees shall be calculated on the sums for which the goods so exposed or offered for sale shall be struck off or sold, and shall in all cases be made by the person making the sale; and the account, to be made in writing, as directed by section twenty-seven of title one of chapter seventeen of part one of the Revised Statutes, shall be made by every auctioneer and broker under oath, on the first Monday in July and January in each year, subject to the penalties for non-compliance imposed upon auctioneers in said title. One-half of the fees or duties to which damaged goods are now subject shall be paid into the treasury of the State.

Sec. 2 Section two of chapter three hundred and ninety-nine of the laws of eighteen hundred and forty-nine is hereby amended so as to read as follows:

The Comptroller is hereby authorized to employ an agent or agents, whose duty it shall be to carry this act into effect, who shall examine, as often as twice in each year, and whenever the comptroller deem it necessary, the books and accounts of sales kept by the auctioneers, who shall have given bonds for the payment of fees or duties on goods sold at public auction, and of brokers who shall have given bonds for the payment of fees or duties on goods vendd by them, as specified by law. The compensation of such agents shall be fixed by the Comptroller; and such agent or agents shall have full power to administer an oath to each auctioneer or broker, and to require such information as may be necessary to ascertain the true amount of goods sold by such broker or auctioneer.

Sec. 3. No person authorized to exercise the office of an auctioneer shall execute the duties of such office, and no broker engaged in selling goods, wares, merchandise or effects, subject to fees or duties by the laws of this State, shall engage in such business until such broker or auctioneer shall have entered into a bond to the people of this State, with two sufficient freeholders as his sureties, in the penalty of five thousand dollars each, conditioned for the faithful performance of the duties of his office, and for the payment of the fees or duties that are or shall be imposed by law, and that shall accrue on sales made by him or under his direction, by virtue of his office. Such bond shall be taken and approved by the agent appointed by the Comptroller, in pursuance of chapter three hundred and ninety-nine of the laws of eighteen hundred and forty-nine; but if executed in a city where there is no such agent, it shall be taken and approved by the mayor or recorder of such city; and if executed by an auctioneer appointed for a county, shall be approved by a judge of the county court for such county; such bond when executed shall be transmitted to the Comptroller, within ten days after such execution, and a copy placed on file in the office of the agent, or where there is no agent, in the office of the county clerk of the county in which the same shall have been taken and approved. The fees to be paid to the agent approving such bonds shall be five dollars; and for approval of the returns to be made of sales, three dollars; and for filing the duplicate copy of the aforesaid bond, fifty cents; every broker or auctioneer who shall sell any goods, wares, merchandise or effects, as specified in this act, without having filed the bonds required by law, or who shall neglect to make or render the accounts, or pay over the duties required by law, shall be deemed guilty of a misdemeanor, and punished by imprisonment not exceeding one year, or by fine not exceeding one thousand dollars, or by both such fine and imprisonment.

STATE OF NEW YORK,
Office of the Secretary of State.

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS C. BARLOW, Secretary of State.

ACT TO FUND THE NATIONAL DEBT.

The following bill to authorize a thirty year five per cent loan was introduced into the Senate on Wednesday by Mr Sherman and referred to the Finance Committee :

An Act to reduce the rate of interest on the National Debt, and for funding the same.

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Secretary of the Treasury is hereby authorized, if he shall deem it expedient for the purpose of funding the National Debt and reducing the rate of interest thereon, to issue registered or coupon bonds of the United States in such form and of such denominations as he may prescribe, payable, principal and interest, in coin, and bearing interest at the rate of not exceeding five per cent per annum, payable semi-annually, such bonds to be made payable in not over thirty years from date, to be issued to an amount sufficient to cover all outstanding or existing obligations of the United States, and to be disposed of in such manner and on such terms, not less than par, as the Secretary of the Treasury may deem most conducive to the interests of the Government. *Provided,* That the expense of preparing, issuing, and disposing of such bonds shall not exceed two per cent of the amount disposed of; and provided, also, that the said bonds and the proceeds thereof shall be exclusively used in paying up or retiring the obligations or indebtedness of the United States other than United States notes.

SEC. 2. *And be it further enacted,* That the bonds issued under this act shall be known as the "consolidated debt of the United States," and the same shall be exempt from taxation in any form by or under State, municipal or local authority, and in consideration of the reduction of the rate of interest effected by the negotiation of said bonds, the same and the interest thereon and the income therefrom shall be exempt from the payment of all taxes or duties to the United States.

SEC. 3. *And be it further enacted,* That the amount of interest saved by substitution of five per cent bonds for other Government securities shall be applied to the payment of the principal of the national debt; and that for the purpose of insuring the payment thereof, and in lieu of the sinking fund contemplated by the act of February 25, 1862, the sum of at least \$30,000,000, including the saving of interest aforesaid out of any moneys in the Treasury not otherwise appropriated, shall be annually applied to the reduction or extinguishment of said debt, in such manner as may be determined by the Secretary of the Treasury, or as Congress may hereafter direct.

SEC. 4. *And be it further enacted,* That, for the purpose of enabling the Secretary of the Treasury to prepare for the funding or payment of the outstanding Treasury notes bearing interest at the rate of seven and three-tenths per cent per annum, holders of such notes are hereby required to advise the Secretary of the Treasury, in such manner as he may prescribe, at least six months before the maturity of such notes, whether they elect that such notes shall be paid at maturity or shall be converted into bonds of the United States, commonly designated as "Five-twenty Bonds," and the right on the part of such holders of converting such Treasury notes into bonds shall be deemed and taken to be waived as to each and every note in relation to which notice shall be given as above prescribed, and the same shall be paid at maturity in lawful money of the United States.

LOST GEORGIA NOTES.

The following is an act just passed by the Legislature of Georgia, prescribing a method of re-producing lost notes and bonds :

An Act amendatory of the law relating to the establishment of lost papers :

SEC. 1. The General Assembly do enact, That from and after the passage of this act the owner or legal representative of any bond, bill, note, draft, check, or other evidence of indebtedness which has been lost or destroyed, may establish a copy thereof by given personal notice at least ten days previous to the day appointed, which notice shall contain a copy of the paper to be established, which notice shall be served on the party against whom said indebtedness is sought to be established, and by making oath before some officer authorized to administer an oath, that he is the owner of such paper, and that the same has been lost or destroyed. A copy thus established, with said affidavit attached, may be used in any court of this State in lieu of the lost original.

SEC. 2. Be it further enacted, That if any party who is liable for the payment of said lost paper, in whole or in part, or whose interests are affected by the establishment of said paper, shall make oath that the said paper never existed, or that the same has been paid off or discharged, the party seeking to establish the same in the summary manner herein provided, shall be remitted to the remedies heretofore provided by law.

Approved March 7, 1866.

THE BOOK TRADE.

Poetry, Lyrical, Narrative, and Satirical of the Civil War. Selected and Edited by RICHARD GRANT WHITE. New York: The AMERICAN NEWS COMPANY, 1866.

A handsomely bound little volume of poems and ballads bearing the title given above, we notice with pleasure as a valuable addition to the literature of the day, being a complete history, of its kind, of the great civil war, and one of the com-

paratively few books which is destined to outlive the generation in which it is published. To attempt a criticism of the literary merits of the numerous pieces of which it is composed, written by fifty different authors, and many of them anonymous, would be impossible. But with the object and character of the book we are much pleased.

The design of the editor, as stated at length in his preface, was to give from the mass of poems elicited by the war all that appeared worthy of preservation on any account. In making the selection, he adds, "poetical merit has not been the only consideration. Verses which celebrated at all worthily, or with spirit any important event in the war—which expressed truthfully any mood of popular feeling, or which embodied any type of character, whether enduring, or the transitory creation of the circumstances of the day—have been deemed peculiarly fit for this collection."

The compiler commences with the assertion that "it is generally true that great events do not inspire great poems," and fortifies his proposition by references to history. An additional confirmation of the same might be found in the signal failure of all our poets to produce a poem, within a given length of time, which should have such merit as to become a "national anthem." The failure, perhaps, might have been anticipated—the plan being similar to that proposed for the entertainment of a dinner party, to which the host invited a distinguished guest, and informed him in presence of his company, that the party had been given to listen to his well-known wit, and requested him to "please begin."

But the poems produced by the war, though none of them "great poems," are of inestimable value as historical pieces, and as expressions of the feelings of the people on both sides in the late contest. In fact they contain the story of the whole conflict. The feelings of the Northern people on the passage of the first secession ordinance—a feeling chiefly of sadness and deep regret—appears in the poem of Oliver Wendell Holmes—"Sister Caroline." The perfect torrent of excitement at the North in April, 1861, when the United States flag was fired on at Fort Sumter, our troops were attacked in Baltimore, and the very capital of the country threatened, is pictured in these verses. So also "the sickening anguish of despair," felt by the soldier when he sees his lines broken up and retreating, hears the shout of a victorious enemy pressing them back, and first appreciates that the great battle has ended in a defeat, a rout, and feels as if the destruction of the army, the capital, the Government itself had come, and he would call on the mountains to fall upon him, is also forcibly given on these pages; the dislike to Great Britain for her truly despicable hostility toward us in the day of a calamity; the camp song sung by a million of men on the march and by the camp fire; the story of particular battles and exploits; the great triumph of the people when finally the end of the war seemed to appear, and last of all the overwhelming grief of the whole Northern people after the murder of their President and leader, all find a place in this volume.

The chief poems and ballads of the Southerners are also included in the collection, so that the book is not a representative of one side only in the contest.

To every one who was interested on either side in the great rebellion, the "Poetry of the Civil War" has much that will stir up his feelings, and recall

most vividly the scenes and emotions of that four years of strife in which the most powerful passions of a nation were exercised in alternate distress and fear, in hope and exultation.

CHERRY AND VIOLET ; A Tale of the Great Plague. By the author of "Mary Powell." New York : M. W DODD, 506 Broadway. 1866.

Every one who remembers the charming little book called "The Maiden and Married Life of Mary Powell," will gladly welcome its worthy successor in "Cherry and Violet." Taking well-known historical facts or personages as a nucleus, the author weaves about them a pleasant net of fiction, so natural, fresh and quaint, that it might well be taken for a narrative of by-gone times. The present story runs through the period of the Protectorate and the Restoration as far as the time of the Great Plague, and the Great Fire which so soon succeeded that visitation. It is difficult to quote from a book whose interest is so evenly diffused, but perhaps the following extract gives as good an idea of the author's manner as any other. The conversation is between the learned Master Blower, who has been driven from his London parish by the plague, and his faithful friend, Mistress Cherry. Cherry has been telling him how his poor parishioners have missed him :

"It's a very nice point," says he musingly, "where we ought to lie by. I believe, had I not left town when I did, I might have been dead now—and yet, perhaps I was like a soldier deserting his post."

I said, "No, sir ; you were liker to a soldier carried off the battle-field to the hospital."

"Thank you, Cherry," says he, taking my hand and drawing it under his arm. "And what else?" says he ; "come, let me hear all."

"Well, sir," said I, "there's not much more to tell."

"Something, though, I can see!" said he. "Come, out with it, Cherry!"

"Sir," said I, "it's of no use for us to trouble and vex ourselves about what wicked people will say of us in mere wantonness."

"Sometimes, though, we may hear the truth from an enemy," says he. "And what do wicked, wanton people say of me?"

"Why, sir,—some very evil-minded, malapert person hath written on your church door—'A pulpit to let!'"

"The rascal!" said he hastily, and coloring very red. "Why, now, did I not keep on, Sabbaths and week days, till the plague-swellings were actually in my throat, though my congregation often consisted of only two or three old women?" So I said "Yes, sir—only there's no use in being provoked."

"None, none," says he, much perturbed. "God forgive me for it!—I can hardly have patience with them."

I said, "Dear sir, you must have nothing but patience with them."

"You are right, you are right," says he, coloring, but still much moved. "If I or well, I must go back to them forthwith. . . . the fact is, there is a matter I would gladly have settled here, a little at my leisure. But duty before all! So I'll go back, Cherry, to mine."

I smiled a little as I said, "Somebody has been doing duty for you the last week or ten days, sir."

"Who?" cried he.

I said, "An Independent Minister."

A complex kind of expression crossed his face; for a moment he looked pained and provoked, and then burst out laughing.

"God bless the worthy fellow!" cried he; "I'll do him a good turn, if I can, the first time he'll let me!"

The author of this delightful little volume is said to be Miss Manning, and the publisher promises a series of her works,—the next to be "Mary Powell." They are issued in exceeding good taste, the paper, print and binding being faultless.

C O R R E S P O N D E N C E.

NEW YORK, April 23, 1866.

To the Editor of HUNT'S MERCHANTS' MAGAZINE:

Mr. R. G. Hazard, in your April number, has, from carelessness, not from intention misrepresented some of the views of my letter to the Secretary of the Treasury.

He says, "to enable the Government to retain the gold, Mr. V. B. proposes that paper be issued at the market price to pay the gold interest;" and he speaks in the next sentence of my proposing to "increase the supply of paper." Nothing can be found in my letter to warrant the inference that I proposed any additional issue of paper.

Again Mr. Hazard says: "Mr. V. B. proposes that when the gold is thus accumulated, the Government should offer to redeem the legal tender notes, and thus make gold and paper equivalent." I did not propose thus to *make* gold and paper equivalent. On the contrary I did not propose to redeem any of the notes until they had first become equal in current value to gold, under the influence of a constantly increasing gold fund which the people knew was to be applied exclusively to the payment of these notes. I did not fix positively the point of accommodation at which this state of things would occur, but this was to occur first, and then, and not till then, redemption was to be offered.

Respectfully,

JOHN D. VAN BUREN.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

JUNE, 1866.

TAXATION OF GOVERNMENT BONDS.*

BY HON. AMASA WALKER.

THE question of taxing credits assumes great practical importance when regarded in relation to the National Debt of the United States. We will assume that debt to be three billion dollars (\$3,000,000,000); This forms a lien or mortgage upon the national wealth, which the Secretary of the Treasury, in his report, December, 1865, estimates at a little over fourteen billions, for convenience we will call it fifteen billions; In that case the national debt will be equal to one-fifth of the national wealth. On this debt of three billions the interest, at six per cent, will be 180 millions. If we suppose that all other demands on the Treasury amount to 120 millions annually, we have an aggregate of 300 millions as the amount of taxation. The national debt, if included in the national valuation would increase it 20 per cent., or from 15 to 18 billions. This would reduce the rate of taxation by one-sixth or 16 2-3 per cent; that is if only property was taxed, the rate would be 2 per cent., if property and national stocks, the rate would be 1.66.

Should the national debt be exempted from taxation there will be 180 millions of *income* that will go untaxed, and that, as can be readily seen is a large share of the *net income* of the whole nation, or what the people save annually after supplying their necessary consumption. The subject therefore is one of surpassing interest to the country. Quite fortunately however, the matter is wholly within the control of Congress, which can as fast as the present bonds and other securities become due, (and they may all be redeemed within seven, and most of them within three years, from 1865,) convert them into bonds not exempted from general taxation.

* From a forthcoming work on Political Economy, by Hon. Amasa Walker, of Massachusetts, now in the process of publication by Little, Brown & Co., Boston.

Public faith should be kept inviolate, but public justice should also be secured as soon as possible. Better far to pay a high rate of interest, if need be, than have so large a share of individual income, and consequently of ability to pay taxes, escape its proper responsibilities. This is desirable not only as a matter of policy, in removing a prominent cause of popular dissatisfaction, which may sooner or later endanger the security of the Debt itself but as an economical advantage to the country.

The effect of exempting the public debt from taxation may be illustrated as follows : A has an income of \$1,500 derived from a salary, B has an equal income derived from coupons on the national stocks, A must pay taxes and of course must economize accordingly ; B pays no taxes, and consequently has no occasion to save on that score. Now, as all national capital comes from the savings of the people, it can be seen at once, that if one-sixth the part* (in amount,) of the tax payers are exempted from taxation, they are to an equal extent exempted from all necessity of saving.

We are aware that the holders of public stocks pay indirect taxes (customs, excise, &c.,) but so also does the man who has no interest in the funds. What we intend to say is, that so far as a man's wealth is invested in our taxed securities, in so far he has no motive to save arising from a taxation to which all others are liable. Looking then at its economical bearings merely, ought not all public securities to be included in the general schedule of taxation, both by the national government, and the states, cities and towns in which the holders reside ?

CONSOLIDATION OF THE NATIONAL DEBT.

While this work is passing through the press, a proposition is made in Congress to consolidate the debt of the United States into a uniform 5 per cent stock, having thirty years to run, payable, interest and principal in gold.

It is, doubtless, desirable to effect such a consolidation, provided it can be done in an economical and proper manner, but the proposal to exempt the consols from taxation is quite another matter. We have already spoken of the invidious as well as unjust operation of a system which exempts from taxation one sixth part of the national resources, but since the proposal has been made, it becomes desirable, we think, to give the subject some further consideration.

We shall not dwell upon the political bearings of a measure sure to create abiding dissatisfaction—sure to be a most dangerous weapon in the hands of political aspirants, and certain to endanger eventually the security of the debt itself. We shall speak only of its economic bearings.

1st. The exemption of \$3,000,000,000 from taxation for all National, State, County, Town, School District and Parish, purposes, will create a very considerable and influential *class of persons*, who, while they will have the legal right to vote appropriations for all public objects, will be under no obligation to pay a farthing of the amount raised ; who while interested in having large public improvements made, will have no respon-

* It is, doubtless, far more than one-sixth part of the net national income, probably, at least one-fourth, or 25 per cent. A large share of the estimated 15 billions of aggregate wealth is of a character to escape taxation.

sibility for the expense of them; a class to whom it will be a matter of entire indifference how large the assessments may be, or how unwisely or wastefully the public finances may be conducted. Can any reasonable man think it expedient and proper to create such a class? Does any one doubt that its influence would be unfavorable to the public welfare? We already exempt labor, to a great extent, from the burdens of State and Municipal Taxation, by limiting the poll tax to a fixed and very trifling amount, so that the poll tax-payer can vote any sum he pleases, with entire impunity. By exempting three billions of the national credit from taxation, it is now proposed to place capitalists, so far as they are owners of the public stocks, in the same favored position. That interest of the two parties will then be identical in regard to all public expenditures paid for by a direct tax on property, as State and Municipal charges generally are. Both can vote away money, and leave the unfortunate property-holders to settle the bills. By the exemption proposed, government creates a great antagonism in the body politic. It grants a special and most important favor to one class, at the expense of others. It may be urged that the favor has been paid for, by the creditors of the government, in that they took the stock at a less rate of interest than they would have done had it been subject to taxation. But can government with any propriety make any such condition? Can it rightfully grant for any consideration whatever, a dispensation to one class of citizens from all pecuniary obligation to State, City and Town authority throughout the nation? Surely not, consistently with justice and equality, because in our community the favor granted may be worth one per cent, in another two. In one locality it may advance the general valuation one half, in another only one-tenth, in one Municipality it may increase the general rate of taxation five mills on the dollar, in another twenty.

Can that be just and equal? And yet all taxation under a free government, must be seen to be clearly impartial and just, or the people will not submit to it.

2d. Such an exemption will create a powerful influence against the payment of any thing but the interest of the debt. This can be readily seen, and hence we perceive another unfavorable effect from the proposed policy. The debt should be paid off as soon as practicable. It should not all be placed out of reach for thirty years, and exempted for all that time from contributing to its own discharge, unless we are prepared to resign ourselves to never ending taxation for the payment of interest.

In a *sectional point of view*, the exemption principle will be very unequal in its bearings. In the new States when capital is comparatively scarce and local taxation nominally heavy, its operation will be especially oppressive and odious. Every available dollar will be put into government bonds, unless it will command an excessive rate of interest on individual security. Will not this enhance the rate of interest, when capital is most scarce? If so will it not be most burdensome to those who can least afford to bear severe taxation and high rates of interest?

A third consideration is that the contemplated exemption has a direct and powerful tendency to cripple the industry of the country by absorbing a large proportion of its wealth into the debt of the government. If the national bonds should be relieved of taxation for 30 years, no more will go abroad for sale, and those now in Europe *will be returned upon us*.

Of that there can be no doubt. The difference occasioned by the exemption here, which does not attach to bonds held abroad will be so great as insure their return to the American market. That this will make the working capital of the country scarce and high, and thus greatly injure all the industry of the nation, especially that engaged in manufactures, is beyond a question.

The last consideration we shall name is, that the proposed measure is *entirely unnecessary*. Such a policy should never have been entered upon. It was bad financiering, even in the darkest hour of our national struggle, and is wholly inexcusable now.

But it may be replied, "the government cannot negotiate its loans at five per cent, unless the exemption is made." Very well then, promise six. It is far less essential what the rate of interest than the equality of that taxation by which the interest is paid. If one-sixth more interest is to be provided for there will be one-sixth more property on which to assess the tax that is to meet it; the burden upon the people is not increased, only equalized.

The British Government pursued a wise financial policy during its great contest with Napoleon. It consolidated its national debt, issued only three per cents and negotiated these on an average discount of about 41 per cent. Her exigency was great, but the United States is under no such extreme necessity. If a policy is adopted which commends itself to the capitalists of the world, American consols at a low rate of interest will, like the British, command money on the most favorable terms. But there must be no tricks, no subterfuges, no unjust exemptions, which sensible men well know are certain to breed public discontent and imperil the national securities. All must be fair, honest and just; the resources of the United States are ample and rapidly increasing, we only need a wise and faithful administration of them.

We have said there was no necessity for the proposed measure, but it would be well to decide fully and finally upon the policy of consolidation into *one stock at one rate of interest*, yet it is in no wise necessary to bind the Government to issue the whole amount, as proposed, in thirty years. The debt is not all due at this time; if a part, say 1,000 millions, were now authorized for thirty years, when that was taken up the expediency of issuing more on so long a time could be more judiciously decided upon than at present, besides, if only a part were now offered it would be taken with more avidity than if the whole were put at once on the market. Policy, therefore, as well as economy requires a limitation of the issue of 30 years bonds.

The proposal to save 30 millions per annum by issuing bonds at five per cent untaxed, instead of six per cent, in order to form a sinking fund, we regard as idle and delusive. The project never will be carried through. National Sinking Funds, have always failed of success, and in the nature of things always will; besides if such a fund were to be provided for, it could be done more advantageously without exemptions from taxation than with.

THE LONDON FINANCIAL PANIC—ITS CAUSES AND EFFECTS.

THE passed month has brought us news of one of the 'most disastrous panics within the experience of Europe. Lombard Street has been shaken to its foundations; firms that were supposed by the uninitiated to possess unbounded wealth, have been swept into bankruptcy, and multitudes reared in affluence reduced to poverty. It is stated that there never was such absolute consternation as in the London Stock Exchange on Friday the 11th of May, and in the city the excitement was almost indescribable, surpassing anything within living memory. The excitement which prevailed during the last panic of the kind, in the autumn of 1857, when the Western Bank of Scotland and four other great provincial banks stopped payment, with a great number of private firms, was not equal to the feeling of anxiety and suspense which appeared every where to exist. From about 10 o'clock in the morning, by which time the failure of Messrs. Overend, Gurney & Co. had become widely known, there was a marked influx of people, far beyond the ordinary community of business - men of all classes, and in Lombard Street, Birchin Lane, and the neighborhood of the Royal Exchange, restless crowds were collected during the whole day. For some hours in the height of the day Lombard Street and Birchin Lane, from both of which the premises of Overend, Gurney & Co. have an entrance, were all but impassable, and the services of an additional body of policemen were brought into requisition to facilitate the traffic and to maintain order. The prevailing excitement greatly increased when it became known that the English Joint Stock Bank in Clements Lane had temporarily suspended payment. In Bartholomew Lane, Lothbury, and Princes Street, there was also an unusual degree of bustle throughout the day. Altogether, for many reasons, the occasion and the day will, the accounts state, be long remembered in the city of London as the "Black Friday."

To us it becomes a matter of great interest to examine into the causes of this strange excitement, and to inquire how, if possible, similar trouble can be avoided. There is a disposition to imagine that, because England maintains a commanding position among the commercial nations, she has some peculiar virtue in her monetary system; and some contend that this excellence centres in the conservative regulations imposed upon her central banking institution, the Bank of England. To us it appears that a candid examination of the phenomena of English panics would show that these opinions are very wide of the truth. There are defects in her present monetary system, and it remains for the future to remedy them by devising a better.

The causes of the present panic may be said to be commercial, financial, and political. And first, the trade of England has been, for some time, in an inflated condition. The inflation may be traced back to the outbreak of our own civil war. The suspension of the American supply of the great staple of British commerce, cotton, produced a steady and large advance in raw cotton, and in the value of cotton goods; and this rise in prices realized, for Liverpool and Manchester, an enormous extra profit upon their trade. The limitation of the United States supply of the staples of food also had the effect of increasing the costs of living,

which ultimately resulted in an advance in the price of labor, and, consequently, in the cost of products generally. The important rise in the price of cotton caused a sympathetic advance in wool, flax, and silk, and, consequently, in the value of all fabrics made from those materials. Nor is it to be overlooked that the enhanced cost of manufactures was supported by a large increase in the demand for goods from those countries which sent to England enlarged supplies of cotton. Here, then, was the basis for a commercial inflation—an abnormally high range of values. This condition of affairs could not prove permanent; and the close of our war, with a consequent large increase in the supply of cotton, was the beginning of the collapse from this expansion. The reactionary process was naturally attended with a desire, on the one hand, to carry stocks of goods and commodities rather than sell them at low prices, and, on the other hand, with an indisposition on the part of the banks to make free advances upon property which they saw must be realized upon at a loss. This opposite course between lenders and borrowers naturally weakened confidence and prepared the way for panic.

The commercial derangement proved to be the parent of a financial inflation. In 1861 and 1862, large amounts of manufacturing capital in Lancashire was thrown out of employment. At the same time, large accumulations of money were realized from the rise in the price of cotton and cotton goods. This surplus capital settled into the reservoirs at London, and the financiers of that city were not backward in devising means for employing it. As there was no use for it in connection with existing commerce or industry, except at very low rates of interest, a host of new companies, chiefly of limited liability, were created; the object of some being trading, others mining, others contracting, others for promoting remote foreign enterprises, but the majority being what are known as finance companies. Not one in ten of the new institutions arose naturally from the presentation of legitimate openings for such enterprises; but, in a large majority of instances, the companies were formed by artful "promoters" merely for the purpose of taking up idle capital for speculative purposes, at a time of unusual confidence in financial circles. By a well known system of keeping up false appearances, and by "managing" their shares on 'Change, a certain degree of confidence was won over to these companies; the banks were induced to discount their paper freely; and deposits were attracted into the hands of the finance companies. This glittering show of prosperity continued until the essential rottenness of the concerns could be no longer concealed, when the banks began to treat them shyly; insinuations against their credit were whispered on 'Change; the whispers were loudly echoed by the "bears" to depreciate their shares; and, as embarrassments thickened around them, one after another failed, until nearly the whole list became discredited upon the market. Though the business done by very many of these companies was radically rotten, yet it was large in amount; so that it was felt in financial circles that their failure must compromise many firms. The new institutions fostered very naturally the commercial inflation; and the two being twin births, they were also destined to expire together.

Both commercial and financial affairs were thus in a state to excite general mistrust and apprehension. In this condition of affairs all the signs of an extensive war, of such a war as has not been waged in Europe since

the battle-flags of the First Napoleon's countless hosts were furled in 1815 arose over the European sky. A million of men were placed under arms between the Baltic and the Alps; a million more arming in France and Italy. Russia announced her sense of the coming crisis by throwing forward her troops in unusual force towards the Polish frontiers, and Turkey turns yet another screw upon her suffering treasury, in order to "mobilize" her whole disposable military power. Most significant and most disastrous of all, the Emperor of the French, after a studied silence of months on the "European situation" spoke out, after his own mystical and portentous fashion, and declared his "detestation" of the "treaties of 1815," and by a single phrase terrifies the enterprise and industry of Europe and pricked the bubble which was just ready to burst.

Such were the causes operating to produce the panic which resulted in giving so severe a shock to commercial credit and effecting a decided halt in the steady progress of English industrial enterprise. Here it had less influence than much smaller and less formidable revulsions which have from time to time occurred in Europe. Some twenty millions of gold have been exported to England since we received the first news of her financial troubles, and still there has been no derangement of general business, and little interruption of public confidence. Even at the Stock Exchange, the ever sensitive quotations of Government and other securities have been sustained better than might have been expected. It is not, indeed, improbable that but for one perturbing cause, we should scarcely have felt the shock at all, except in cotton, and in a few securities which are largely held in England. The circumstances to which we refer as having chiefly caused the recent perturbation in the money market, is the sale by the Government of thirty millions of gold in the short space of ten days. Some of our readers may be at a loss to understand how these sales of gold should produce such derangement. We will try to explain.

It is well known that under the Sub-Treasury law of 1842, the government requires all payments to be made to it in gold or in other legal tender money. Consequently, the sale of thirty millions of gold would draw into the vaults of the Treasury forty millions of currency, and would absorb this sum suddenly. But the ordinary business of the country is done by a much more economical use of currency. Look, for example, at the Clearing-House settlements of any given day, and you will find that eighty or ninety millions of debt are paid off by the use of only two or three millions of currency. Thus it appears that as much currency is needful for the transactions attending the sale of thirty millions of gold as would suffice to consummate a vastly greater amount of the ordinary business transactions of the country. Moreover, the currency used by the people in their business does not leave the current of the circulation. It is used over and over again and continues actively to pass from hand to hand. But in the case of money paid into the Treasury it is far otherwise. This currency is locked up in the vaults of the government, and depletes for a time the current of the circulating medium of the community. If the depletion be great a stringency in the loan market supervenes till equilibrium is restored. It is easy, therefore, to see that comparatively small government transactions in gold, involving the sudden payment of greenbacks into the Treasury, may, by making currency

scarce, paralyze the movements of capital, stir up great temporary derangement in the money market, and engender wide-spread mischiefs in those departments of industrial enterprise whose success depends on the easy and equable operation of our financial machinery. When we remember that during three days of one week no less than fifteen millions of gold had to be paid for by purchasers from the government broker, it will not appear surprising that we have had a pinch in the money market. The only wonder that the flutter was not exaggerated till it grew into a panic, as most likely would have been the case had not the Assistant Treasurer at New York, by his skillful arrangements, prevented monetary stringency.

But there were peculiar causes for our exemption from the influences of this London panic. First, we do not fear the threatened continental war. It is evident that, if the expected war breaks out in Europe, that continent will grow less food than usual. An immense impulse will thus be given to our raising of breadstuffs and other agricultural and industrial products. The resulting activity in business will benefit our railroad and shipping interests, will impart a higher value to property invested in such enterprises, and will be productive of other important financial advantages. These are some of the reasons on account of which the European war fails to awaken much alarm here. The scene of the conflict is too far off: and, while some of the effects of the struggle would work for our interest, we are so completely isolated from all connection with the belligerents that there is not the slightest danger of our being drawn into the vortex.

Moreover, the fact that our monetary system does not rest on a specie basis is another cause of its stability under the recent shock. If the basis of our currency were liable to be suddenly contracted and disturbed with every sudden demand for coin for exportation, the recent shipments would have spread, throughout the length and breadth of this continent, as much terror as was caused by the most memorable panics our people have ever known. Here we have one of those compensatory provisions which continually meet us at almost every view we take of any department of human enterprise and achievement. A paper currency not redeemable in coin is a curse to any currency where it prevails; but, as we have just seen, the curse is not without its blessing. Our paper money is unsettled and unstable in its value—that is its evil—but our paper money system is not liable to derangement from foreign demand for specie—that is its compensating good.

Much has been said about this aspect of our return to specie payments, and some persons are asking with much anxiety whether, when we do get back to a coin basis, our financial system will be liable to be at any moment shaken by the exportation of coin, as was invariably the case in former times. Two remedies have been proposed. One is that we should pay all our debts to foreigners, and not go in debt any more. This is, of course, Utopian. Probably more than a thousand millions of dollars of foreign capital is in various ways held here, and we are liable to be called on to pay any part of this debt at any time when our creditors want their money. Now, when a panic arises in any foreign money market, some of our creditors there want to sell our securities or draw their balances. The consequence is that the foreign exchanges are likely to run

against us, and before long gold has to be shipped from this side. Now, this exported coin formed part of the basis of our domestic currency. In taking it away to pay debts abroad, we deplete our interior currency to supply currency for exterior foreign use.

On this view of the case a plan of some ingenuity has been proposed to keep up specie payments, and yet prevent our home currency being violently contracted and our domestic trade disturbed whenever our foreign balances run against us. The plan consists of three provisions. First, let the banks of issue be compelled to redeem their notes not in specie but in gold notes. Secondly, let the government issue these notes on deposit of gold and issue no notes which are not represented by gold actually in hand. Thirdly, let the gold notes be legal tender and let a weekly statement be published of the amount outstanding similar to weekly reports of the banks of England and France, and let a minimum and maximum amount be fixed below or above which the outstanding volume of gold notes shall not go. We do not offer this plan as perfect. Indeed, we see several objections to some of its details. But it may, perhaps, suggest a better plan, or be itself susceptible of the requisite modifications. Of course, its adoption requires that the greenbacks should all be called in, and that hereafter nothing should partake of the nature of legal tender except either the standard coin itself or the gold notes which are actually represented by coin on deposit in the National Treasury.

Some such expedient, it is supposed, would give the needful elasticity to our currency, and would enable us at once to preserve the convertibility of our notes, which is the grand central principle of the Bank of England system; and to preserve our currency without contraction from sympathy with derangements in foreign trade, which is the great recommendation of the system of the Bank of France. It is, perhaps, inevitable that commerce should periodically run into wild inflations, and that financial affairs should lapse into an unsound state; but the derangement of our internal commerce should not follow every European panic, and would not, if some such expedient were adopted. Finally, this disturbance in the London money market shows us that there are decided defects in the English monetary system. Had it been possible, without sacrificing the principle of convertibility, to invest the Bank of England under easier conditions, with the power to do what was allowed to it in the last extremity by the government, there might have been no panic. The banking houses had an abundance of the most desirable securities; but the Bank of England was verging upon the legal limit of its circulation, and the securities were consequently of no avail. There was a dead lock to loans, because the Bank could no longer lend. The effect of the legal restrictions upon the circulation of the Bank, is seen in the circumstance that the panic began to subside the moment it was known that the restriction was removed, and also in the fact that, in former crisis, panic was stayed instantly upon the suspension of the bank restrictions. The system needs another feature; in some way disconnecting as much as possible the internal finances of the kingdom from its international exchanges.

COAL IN THE UNITED STATES.

WHATEVER may be the future product of the Coal Mines of Great Britain, it is certain that the United States possess a supply which many generations cannot exhaust. The whole extent of the coal area in the United States has been usually divided into four principal coal-fields or tracts, viz.:—The Great Central, Alleghanian or Appalachian coal-field, extending from Tuscaloosa in Alabama, through Eastern Tennessee and Kentucky, Western Virginia, Maryland, Ohio, and Pennsylvania, and reappearing in New Brunswick and Nova Scotia. This field has been computed to cover within the United States an area of 50,000 to 60,000 square miles of which about 40,000 square miles, or 25,600,000 acres, are considered workable area. It is subdivided into eight minor divisions productive of bituminous coal. The second coal-field occupies the greater part of Illinois and Indiana, and in extent is nearly equal to the first. A third field covers a large portion of Missouri, and the fourth the greater part of the State of Michigan. The Chesterfield bituminous coal-field, a detached district of small area near Richmond, Virginia, contains the oldest-worked collieries in America, and for many years furnished the only supply of coal for the seaboard towns. The greater part of the area of workable coal in the bituminous coal-fields above mentioned remains as yet undeveloped. The detached basins of anthracite coal in Pennsylvania, which form one of the most interesting of this great coal-producing territory, though limited in aggregate area, as yet produce considerably more than all the others put together.

The coal area of the United States, according to Taylor's "Statistics on Coal," a work published in 1855, was estimated in 1845 to cover 133,132 square miles, or 85,204,480 acres, which was nearly one-fourth of the total area of the twelve States in which the coal formations lay. It was equivalent to nearly three-fourths of the coal areas of the principal coal-producing countries of the world. Of this area 8,397 square miles were on the west side of the Missouri River, and 124,372 square miles east of the Mississippi River, whilst 437 square miles were occupied by the anthracite deposits of Pennsylvania. More recent estimates (from the report of the Commissioners of the General Land Office) have made the American coal-fields, so far as they have been developed, to cover nearly 20,000 square miles, or one-tenth the entire area of the kingdom. The coal formations of British America are computed to have an area of 18,000 square miles.

In 1845 the production of the British coal-fields was set down at 31,500,000 tons annually. The product in 1858 was stated to be upwards of 65,000,000 tons, worth at the pit's mouth 16,700,000*l.*, and in 1863, 86,292,215 tons, valued at 20,572,945*l.* An eminent geologist estimates the average thickness of the workable coal of Great Britain at 35 feet, and the total quantity of workable coal at 190,000,000 tons. If the whole area of the productive coal-fields of North America be taken at 200,000 square miles, and the average thickness at 20 feet, Mr. Kennedy calculates that their product will be 4,000,000,000,000 tons. The relative size of the coal measures of the United States and other countries has been made more appreciable by taking the amount of workable coal in

Belgium as 1, then that of the British Islands becomes rather more than 5, that of all Europe $8\frac{1}{2}$, and that of North America 3. Professor Rogers, in a work on the coal-fields of the United States as compared with those of Europe, calculates that the United States has 1 square mile of coal field to every 15 square miles of territory; Great Britain 1 to every 30 of surface; Belgium, 1 to every $22\frac{1}{2}$; and France, 1 to every 200 miles of surface. The relative superficial magnitude, he observes, of the coal-fields of the countries possessing coal will be recognised if we compare them by some simple unit of measure. Let this be 100 square miles. In this case—Russia will be represented by 1; Spain, 2; anthracite fields of Pennsylvania, 4; Westphalia and Bohemia, 4; Belgium, 5; France, 10; Rhenish Prussia, 10; British Provinces of North America, 17; British Islands, 40; Europe, 75; Pennsylvania, 126; Appalachian coal-fields of the United States, 2,200. Whichever way the foregoing figures are taken they clearly represent the enormous coal-producing power and the vast mineral wealth of North America.

In view of these extensive coal fields in every part of the country it would seem hardly possible that the exorbitant prices of the last two years could be much longer sustained. And yet we must remember that our supply at present comes from a very limited region, and is under the control of a few transportation companies. Previous to the war the Pennsylvania product had supplied fuel for half the continent, meeting the requirements of our seaport and frontier towns, and even underselling the colliers of Nova Scotia in the markets of Canada. This was due to the facility with which it was quarried and conveyed to different places. These facilities were steadily increasing. Canals and railroads were extended from New York and other parts of the country to the coal regions of Pennsylvania to bring away their product to new districts. But the demand was also steadily increasing year by year when the war began. The war having at once added largely to that demand in supplying our greatly increased steam marine, and the extensive manufactories which were kept in operation to finish material for military use, which aided by the Government issues of currency immediately gave an upward impulse to prices.

This impulse was aided by the flood of 1862, which suspended operations, and led to the exhaustion of the stocks in hand. These and other causes continued to operate sending prices up as a matter of course till the conclusion of the war; at which time indication appeared of a decline. These indications, however, were doomed to disappointment. The attempt during last season of the colliers of the Lackawanna and Wyoming coal districts to reduce the wages of the miners, were followed by an extensive strike, which enabled the companies to sell their stocks at such enormous profits as to suggest to many the possibility that they had secretly connived at the affair. Certainly the strikers only obtained penury for their part of the transaction, and the consumers by reason of it have been compelled to pay exorbitant prices during the entire winter. There are symptoms now of the approach of better times, and yet we do not look for any permanent change for the better until the financial system of the country is placed in a healthier condition, and railroads for the transportation of coal to the different parts of the country where it is required have been multiplied.

The present difficulty is exaggerated by the peculiar fact that the transportation business is done principally by the owners of the mines; the mining companies and railroad corporations are substantially identical. The following illustrates the mode by which this state of things was brought about: In Elk County, Pennsylvania, until within a few years the lumber business engrossed every thing. In 1858, however, Mr. Joseph Veazie, a young man from Boston, a graduate of the Lawrence Scientific School, heard that there were bituminous veins of coal in Elk County. He induced his father to come out with him and "prospect" a little. In a few days they discovered quite a number of out-croppings, which confirmed all that had been reported of the property. At that time the geological survey of the State of Pennsylvania, made by Professors Rogers and Lesley, had not been published. That report describes the coal lands thus prospected by Mr. Veazie as the fourth bituminous coal basin of Pennsylvania. Soon after discovering the coal property and learning its value, Mr. J. A. Veazie of Boston and some of his wealthy friends secured a title to six thousand nine hundred acres of these lands, lying in a compact body. At first a company called the Pennsylvania Coal Company was organized under the laws of Pennsylvania; then followed the organization of the Shawmut Company; then of a railroad company; and finally all these companies were consolidated, under a special charter, into one company, called the Pennsylvania Cannel Coal and Railroad Company, with a capital of \$1,500,000; thirty thousand shares of fifty dollars each. There are now seven different coal companies in the county of Elk, not one of which existed seven years ago.

A correspondent writing last Fall, shows the way in which the Cannel Coal & Railroad Company manage to realize large profits. Their railroad, 14 miles long, connected with the Philadelphia & Erie Railroad, two and a half miles east of Ridgeway, is completed to an opening which now produces about 100 tons a day, and, when fully manned, will produce 200 tons a day. It is graded 1,300 feet to another opening, which can turn out 150 tons a day, and from which a tramway of 1,200 feet leads to still another opening, also capable of turning out 150 tons a day. The railroad—tramway and all—will be completed by Christmas, when the company will be able to fill orders for 500 tons a day. These coal people will not tell their most hidden secrets, but the coal costs the company not over \$1 25 to mine and deliver at the terminus of their road near Ridgway, and as they are selling it for \$4 50, it will be seen they have a solid margin of at least \$3 per ton; so that by January next they can count a daily profit of \$1,500 a day, or \$450,000 a year. All this from three openings in one vein. But there are twelve veins of bituminous coal and two of cannel coal. About 30 openings have been made, some of them 800 feet in length and reaching through the hill some 600, and reaching through in the same way, but all deep enough to show the inexhaustible supply of coal on the estate.

The operation of mining is very similar in all mines. In the one referred to above, visitors are allowed seats in the little cars in which the coal is sent out of the mine. The driver is a boy, with a small lamp hung to his cap, in front. Another miner, called a pusher, whose business it is to get coal out of the mines, accompanies. The bank of earth about the entrance is neatly sloped, and well-fitted timbers protect the roof and sides.

The roof is of coal, and the sides of coal down for three feet, where a layer of fine clay comes in, followed by slate. Through the slate water penetrates, and so renders the passage wet and sloppy. A light rail is laid all through the mine for the cars to run upon. Every 25 feet occurs the entrance to a side room or chamber. These penetrate 25 feet, and are then enlarged to the size of 18 feet. Leaving the car and walking into a chamber, we find the miners at work. They lie flat on their backs or on their sides, and dig in the shale under the coal, thus undermining it. Then with wedges they split off great pieces, as large as possible, sometimes several feet long and two feet thick. Thus the miners work until late in the afternoon; the work is excessively dirty, but they earn good wages. Returning from the mines, we must walk out, for the car is needed for business. The laden coal cars descend with their own gravity to the platforms, through which it is dropped upon a screen or sieve which allows the smaller pieces and the dust to pass and separate; the rest runs directly into the car, and in an hour or so is delivered to the dealer at the junction. Mining in all the other bituminous, and even anthracite coal mines, the same as pursued here, only that in all the anthracite mines and many of the bituminous the coal lies below the watercourses, and so wells have to be sunk, shafting put down, and a vast amount of pumping done, thus enhancing the cost of mining and of the coal.

The former practice, in opening a vein of coal, was to begin at the "outcropping" and clear away the earth, or make a large number of openings. This was found to be too expensive and laborious. Now the more convenient method has been adopted of making an opening on an inclined plane or "slope," and laying upon it the two tracks before mentioned—one for the loaded cars, which are drawn out by an engine, and the other for empty cars to descend into the mine. The dimensions of these articles are generally five feet in length by three in breadth.

The more common process, however, is to sink a shaft into the mine. Entrance and egress are by means of a bucket or "carriage," which is let down and drawn up by a rope and windlass. Accidents sometimes happen from the breaking of the rope, and sometimes a person in the carriage is seized with dizziness and falls from the carriage to the bottom of the mine. To prevent fatal results from the breaking of the rope, hooks are fixed to the carriage, which fasten, in such cases, to the sides of the shaft, enabling the rescue of the persons inside from their perilous situation.

At the Baltimore mines, at Wilkesbarre, Pennsylvania, two veins of coal, one immediately beneath the other, are worked at the same time. The upper one has been excavated clear to the "Black Diamond Mines," a distance of two miles. At first the coal was taken from the Baltimore mines by several cuttings, opening out upon a narrow gorge, at the bottom of which flows a little stream of water. Only a footpath lies between those cavernous portals and the edge of the descent, exciting our curiosity to learn how the coal could be removed in any considerable quantities. From this point the floor of the mine slopes gradually to the furthest extremity of the excavation. The miners may be seen in the distance, each with a little lamp in his visors, moving hither and thither, and appearing in the darkness like the shades of denizens of the wide world. In winter time the spectacle is fully as impressive—the evergreens in the little gorge

laden with snow, the streamlet flowing rapidly along, the entrances of the portals hung with icicles, the floor and roof inside covered as with stalagmites and stalactites, all of ice, colored by the carbonate of iron, the lights and shadows made by the pillars of coal which have been left to support the roof, and the lights of the dusky laborers gliding hither and thither far away down there beneath the earth.

Those pillars of coal, usually about six feet in diameter, are always left to support the roof of the mine; and when the vein is worked out they are removed, and wooden pillars having been put in to take their place, sometimes the roof falls, burying whomever may happen to be within the mine. The town of Pittston, at the confluence of the Lackawanna and Susquehanna, has been nearly undermined in this manner; but as yet few of those fallings-in have taken place. A few years ago, however, the public school-house sunk down into one of these places.

These chambers, many of them within the mines, are really very fine. Some of them are so low that a person of medium stature must stoop to get through them, and so narrow that two persons can barely pass each other. But others are eighteen feet from floor to roof, and fifty feet in breadth; the roof consisting of slate smoothly polished, and beautifully indented with perfectly shapen fossils, and the walls being rough where the coal had been in contact with the slate, with boles of fossil trees here and there in half relief, from one to three feet in diameter. A fossilised stump of a tree, four feet high, three feet across at the top, and six feet at the bow, was found in the Baltimore mine, and removed with great care to the Court House at Wilkesbarre. The mines abound in beautiful and perfect fossils, principally stem of plants; quartz crystals are also found in the rock which covers the coal.

The anthracite coal is removed from its bed by blasting. It is then placed in cars and drawn away by mules. Sometimes it is taken to the portal of the mine in this manner, but oftener is drawn up the slope by pulleys and "gravity cars" into the "cracker," a lofty building where it is unloaded, broken to pieces, screened, and the slate picked from it by children. It is then poured into troughs or conductors of iron, which discharge it into railroad cars and canal boats for transportation. Among the piles of slate and "screenings" which are rejected by this operation are considerable quantities of good coal, which is generally given away to any one who will take the trouble to gather it out. It is no unusual thing to witness boys, and even girls and grown women, ragged and unclean, barefooted and bareheaded, gaunt and smutted, filling their baskets, bags and pails, lifting the dirty burden to their shoulders and staggering away to their wretched homes.

These miners are paid by the quantity of coal got out by them. They seldom work later than three or four o'clock in the afternoon. Some of them, especially the Welsh, are frugal and industrious. Their homes are well kept, and their families interesting. Shelves of books, and newspapers, show that they are intent upon improvement; and in some of the larger towns, they have established reading societies and lyceums. In several instances they have in this way collected a valuable library and cabinets of geological specimens from the mines where they are employed. They have also strong religious tendencies, and do much to toward correcting the disposition and manners of their ruder associates.

But too often the miners are of a different class, and spend as fast as they earn. In a time of scarcity, as during the late great "strike," they are reduced almost to want through their improvidence, although they may have been earning a hundred dollars a month. Yet they never seem to hesitate, however well they may be doing, to break off work and demand higher wages. They are organized into secret societies—a measure often necessary as a protection against the exactions of the companies, who are often unregardful of their rights and welfare; and when these strikes occur, they are thus pledged to stand by each other.

Many of the miners are rude, ignorant, and even dangerous. Some of them speak a *patois* or dialect which requires interpreting to render it intelligible. The children acquire their vicious ways, swearing, insulting persons who happen to speak to them, throwing stones at animals, destroying fences, and doing mischief maliciously. Their appearance, coarse and ragged in dress, dirty and black with coal dust, corresponds with their manners. They seldom attend school or learn to read; and the indications of their future career are not very encouraging.

It is of the utmost importance, it will be seen, that this dying-out of industry shall be somewhat modified. The acts of this class have been able to create high prices of coal everywhere, in other mines as well as at home, and indicate possible consequences of the most serious character. The multiplication of companies would tend to ameliorate their conditions, also the construction of avenues of transit, the managers of which would not have their interests identified too closely with the mining as well as the production of coal.

WHAT FIXES A RATE OF INTEREST.

BY A. D.

A good many otherwise well-informed people believe in the notion that a rate of interest is the result of law. For instance, if the legal rate of interest is six per cent, the market rate must be six per cent; and if the legal rate is then lowered to four, the market rate would necessarily become four. One of the wealthiest and most experienced merchants in New York was heard to express this opinion a few days ago, and none among those who heard him were prepared to refute his position. Yet such an utter lack of breadth is evinced in this notion, it seems extraordinary that any merchant who holds to it, should have been able to make his way successfully among the crowd of better informed men who must have been his competitors.

A particular rate of interest, is in great part an international affair—it is primarily the result of the difference between the civilization of, or more correctly speaking, the security for capital afforded by various nations. The more perfect the security in a country the lower the rate of interest; and the higher the rate of interest, the lower the standard of credit compared with other contemporaneous countries. However much this law of political economy may wound the self-love of particular nations when applied to practice, a little further consideration must convince us of its truth with of course certain modifications.

The immediate cause of a rate of interest is the pressure of monied

capital for employment as compared with the pressure of employment for monied capital—in other words of the demand and supply of loanable funds. The pressure of capital (or wealth) being the immediate cause of the rate of interest, it follows that wherever the great bulk of capital flows to, must be that place where the rate of interest is lowest; and that wherever it flows from is where the rate is highest. Accordingly as we find that in London, Paris and the free cities of Germany and also in the cities of New York, Philadelphia and Boston the rate of interest is lower than anywhere else; and that in the barbarous countries of Asia and China the rate of interest is higher, this argues that capital is constantly flowing towards these cities and from those countries. And such is the fact. Indeed, the law we are illustrating is deduced from the very facts, which are being used to illustrate it; so that instead of straining the facts to suit the law, we are simply stating the facts and leaving the law to unfold itself as we proceed.

Some persons, having in mind the extraordinary flow of specie from Europe to India, may be disposed to deny that capital habitually flows from uncivilized to civilized countries; but their doubts can easily be satisfied. The only authority for this doubt is Michael Chevalier in his work on "The Probable Fall in the Value of Gold," wherein the author says:—"The value of silver rises at present (1859) owing to the sudden demand for this metal for exportation to the remote East. According to the statement of Mr. James Low, and derived from the books of the Peninsular and Oriental Steam Navigation Company, by whose agency nearly the whole of this precious freight is transported, the vessels of this company carried from England to Asia the sum of 12,118,985*l.* in silver in 1856, and of 16,795,232 in 1857. In 1851 it was only 1,716,000*l.* Besides, from the ports of the Mediterranean there have been sent to the Levant and the remote East (India, China, and the adjacent regions), in 1856, 1,989,616*l.*, and in 1857 3,350,689*l.* This is for the year 1857, or a total of 20,145,921*l.*—that is to say, of more than double the yield of all the silver mines that supply the markets of the Western World. I mean of Europe and America. The efflux of silver is independent of an exportation of probably one-tenth of the above amount in gold, which has been going on during the last few years. It is true that *we ought to deduct* from the exportations of silver to the East a certain quantity of imports, because in these articles (i. e., in gold and silver), alongside of the general stream, there is always a certain counter current. But we have reason to believe that, for the last few years, it has been but a limited sum. At any rate, the amount is *unknown* to us."

As Chevalier's essay has been read all over the world, the notion has prevailed that a steady stream of capital is constantly flowing from Europe to Asia, and has been flowing for a long time past, and will continue to flow for a long time to come. Now, this is all wrong. In the first place, as Chevalier himself admits, the flow of specie to the East has been a sudden movement. It amounted in 1851 to only 1,716,100*l.*, and not until 1856 did it assume any proportion worthy of notice. Secondly, it has been accompanied by a counter current of "unknown;" but not necessarily for that reason of a limited extent. Thirdly, this movement almost ceased by 1860, and it was only set in motion again by the American war, which caused a demand for East India cotton, and necessitated

shipments of specie wherewith to pay for it. Fourthly, the movement, when it began, was not a movement from a state of equilibrium, but was simply a return to the East of a portion of that vast amount of specie which, as we shall presently see, had been previously flowing towards Europe. Fifthly, it was a movement from England and France to India, it is true; but, as Chevalier himself admits, the same specie that went in this way out of Europe simultaneously came back to Europe by way of Russia. Sixthly, and this covers the whole ground. A flow of specie is not a flow of capital, because capital is, indeed, all kinds of wealth. For every dollar of specie that went out of Europe to India, it follows that a dollar worth of goods, or more, went out of India to Europe. Europeans are not likely to be addicted to giving away their specie. When they do so, depend upon it they do so for a good reason—in a word, for an equivalent, or more than an equivalent. Hence no flow of capital occurred from Europe towards India, to remain there looking for employment and depressing the rate of interest among the Hindoos. On the contrary, the flow was the other way. Baron Humboldt states (1818) that, in the trade between Russia and China, the latter pay the former the differences in specie, and thus a flow of the precious metals is maintained through Siberia to Europe. In his "New Spain" (edition of 1827) he states that new facts confirmed this opinion, and added:—"It is now a generally received opinion that Great Britain has created an influx of gold and silver from the Peninsula of India into Europe." The commercial delegates who accompanied the French embassy to China, in some publications prepared with great care ("Annales du Commerce Extérieur, &c."), establish the fact that, after 1830, China *came to be a much larger exporter than importer of silver*; and they give us their estimate for 1842 that China would have that year imported one million of dollars, and exported over *eleven* millions of dollars. They add that, up to the time at which they wrote—that is to say, subsequent to 1845—the commerce in opium alone had caused an exportation of silver from China to the amount of about twenty millions of dollars.

We close our evidence of facts, on this point, (all of which is taken from Chevalier's book,) by quoting Chevalier's opinion. "It must be borne in mind that the magnitude of the amount of silver absorbed annually by Asia is of *recent date*; it is an unforeseen phenomenon which has abruptly presented itself, and we could not conscientiously take it for a fact definitely and unchangeably established; it would be exposing ourselves too much to the risk of deception to assume that the present will be the rule of the future. If asked for an opinion I should decidedly withhold it."

Capital, therefore, is sure to flow from barbarous towards civilized countries, evidently to avail itself of the better protection and safety afforded by the laws of the latter. Therefore, our synthesis of facts is this: Safety and security invite accumulations of capital; accumulations of capital, when greater than the demand for capital, lower the rate of interest, and, *vice versa*, raise it; therefore, wherever the greatest amount of safety and security, in other words, civilization, prevails, there will the rate of interest be lowest. Contrariwise, wherever the rate of interest is lowest, the state of civilization is highest. Therefore, the rate of interest in this country, as in all other countries, results from its comparative civilization, from the

comparative state of safety and security to capital, (not to money alone, but to all kinds of capital,) which its laws afford. If this be the case, then, it cannot be raised or lowered by mandate, and can only be affected permanently by war or injustice on the one side, or by peace and justice on the other.

That is what fixes the rate of interest. If all countries are at peace, and their laws are just, then the rate of interest will be lowest wherever those laws are best administered and strictly executed. The truth of the principle is found by facts. The lowest rates of interest usually prevailing are in England and France; the next lowest in the free cities of Germany, and in the seaports of the United States. England and France have more perfect systems of laws than any other countries in the world; and what is more, their laws are fairly and vigorously executed. The creditor cannot be easily swindled; nor can the debtor easily escape payment. Neither can money easily purchase immunity from punishment. Next, in this scale of excellence, come the free towns of Germany and the seaports of the United States. Next follow the various civilized States of Europe and America. The farther from civilization, the higher the rate of interest; because interest includes the rate of risk as well as the wages of labor, and this risk increases as the great centres of progress are left behind.

In times of war the rate of interest increases, and capital flows away to more peaceful countries. In times of peace capital flows back, and the rate falls. Applying these deductions to our own affairs, it seems imminent that two or three years hence, when that flow of capital, which is now occurring towards our country, shall have become of greater amount than we can find ready employment for, as undoubtedly it ultimately will, the rate of interest must fall. Then the government will be able to fund its debt at a lower rate of interest, say at three or four per cent, and then for the first time a real step will have been accomplished towards decreasing our national burden. Meanwhile, everything that we can do by an efficient and just administration of the law, towards increasing the safety and security of capital, will be so much towards hastening the time. And herein we perceive, as in all other matters, that "what is right is most politic."

STATISTICAL INFORMATION—ITS USES AND IMPORTANCE.

The collecting of statistics in relation to the population and resources, the expenditures and available forces of a country, is essential to the successful management of its affairs. No sagacious statesman will enter upon the administration of government except he shall have informed himself upon those subjects which are so vital to the national existence. Such knowledge is indispensable to his success as well as to the prosperity of the State. Hence all civilized countries provide for stated enumerations of the inhabitants, returns of property, statistics of production and income, and such other facts as pertain to the science of government. In these collections of facts are to be found the sure tests for the various theories of political science in relation to the production of wealth, its distribution and consumption, the protective policy, etc., so generally the veriest webs of entertaining romance.

Current statistical information on an extended scale is also necessary to the people, to enable them to understand the true objects of legislation, as well as to the legislator who desires to promote the best interests of the whole body politic. They should be acquainted with the relative importance of every branch of agricultural production, the value of each department of commercial enterprise, and the results of the several manufacturing employments. Each source of revenue, also every object of expenditure, should be known to the great body of an intelligent population.

Individuals engaged in extensive enterprises may derive invaluable knowledge from collections of statistics. The data thus obtained are essential to the successful employment and direction of capital and industry. Already several of our large manufacturers' associations have begun to act upon this principle. The iron manufacturers have taken the initiative, and employed competent persons to visit every furnace in the United States and collect from the books and ledgers the important facts recorded on the subject of the business. The National Association of Woollen Manufacturers are doing the same thing in relation to their pursuits. Those who are engaged in the other departments of productive industry could do the same thing with advantage. Agriculturists are almost always careless and inaccurate in the accounts of their crops and the cost of producing them. Manufacturers come far short of reliable data; yet the success of their business depends in a great degree upon their knowledge of these details, which they ought to have collected. If the leading members of each department of industry would provide for the obtaining of all available information in relation to their business, they would become possessed of statistics which would prove of the greatest use.

In those countries where such enumerations have been made, taxation and the benefits of government are divided more equitably, because the rights of every class are better known and are respected accordingly. The confidence of the people is heightened in the management of public business, from having the facts within reach upon which the policy of administration is based. Social improvement is proportionably more rapid. This may appear fanciful at first view; but a little consideration will be sufficient to demonstrate the fact. For example, items of a personal nature appear to be lost in the general aggregation; the individual is taken out of sight, and apparently is of little importance. People marry as if by chance, at various ages, and in different conditions of life; the birth of children seems to be directed by no law regulating number and sex; death is apparently a matter of chance as to time or cause; and even the acquisition of wealth has little evident relation to the industry, skill and economy employed. Yet these facts when properly arranged reveal conditions of the greatest importance. They show the existence of definite laws regulating the whole matter, which cannot be wisely or safely disregarded. Thus, much that would otherwise appear arbitrary in legislation is proven to be proper and necessary. Whenever food and the other necessities of life have an inordinate price, out of due proportion to the compensation of labor, there will be an undue number of unmarried persons of adult age; and that circumstance is always sure to be accompanied by a deterioration

in morals, involving the greatest peril to society. An extraordinary mortality of children, demonstrates the existence of a state of things, socially and otherwise, of extreme peril to the community, threatening utter extinction. A large number of widows and orphan children is a sure indication of war or pestilence, and demands the early attention of the statesman.

European theorists have conjectured that the climate of the Western Continent was not favorable to the white races, and adduce the meagerness of figure peculiar to the American, and the comparative fewness of children in families, as evidence in support of their opinion. It is the province of the statistician to disprove or demonstrate the correctness of this opinion. We believe that it cannot be sustained. There are atmospheric causes existing for the leanness and apparent old age of our native population, and it may be shown that these symptoms do not indicate exhausted vitality. But the matter, nevertheless, requires further investigation.

The Metropolitan Board of Health recently created pursuant to act of Legislature, we are gratified to perceive, is devoting attention to this subject. It has been a favorite assertion of many persons, that the standard of vitality in New York is below that of other cities. We have repeatedly examined the weekly reports of Doctor Cyrus Ramsay, for many years the Registrar in the office of the City Inspector; and were convinced from them that this assertion was an exaggeration. The mortality, year by year, was about twenty-five thousand; the aggregate population, according to the census of 1860, being 813,000. The enumeration of 1865, to be sure, reduces this number to 726,000, but nobody believes these figures to be correct. This would make the average mortality one in twenty-nine, or about thirty-four in a thousand. The present Registrar, Doctor Elisha Harris, estimates the annual death-rate at 30 in 1,000 per year. Few cities, we believe, can exhibit a fairer record than New York and it may be questioned whether the rural counties, if accurate statistics should be obtained, would show so favorable a return.

We hope that the utmost care will be taken in this matter of vital statistics. It has been impossible to obtain any proximate account of births and marriages, owing to the imperfect execution of the law and the refusal of clergymen and physicians to obey it. The Board of Health, with that vigilance so characteristic of newly created officers, should set this matter right. Upon the facts thus to be ascertained depends the future greatness of this metropolis. If New York is but a *placeto die in*, it will eventually share the fate of Tyre and Nineveh.

Another matter of importance, which we do not remember to have seen required, is the proportion of inhabitants living in their own houses. In this particular, New York is deplorably bad, and fast becoming worse. Human existence is made up of incentives to activity; and fearful deterioration, vital and moral, will take place where these are not abundant. The home circle affords them. The effort to acquire the means for maintaining and educating a family develops wealth and binds society together as no other agencies can. Men will fight for their homes and social institutions; whereas slaves and the denizens of boarding-houses have no such incentive. Homes are worth peril and sacrifice; but to a country of boarding-houses permanent prosperity is impossible.

THE NATIONAL BANK FAILURE AT WASHINGTON.

It is one of the gratifying features of our financial operations during the last five years, that although such vast sums of money have passed through the hands of government officials and agents, there have been so few instances of embezzlement or peculation. When exceptional instances do occur of attempted fraud or collusion it is therefore a high public duty to make of all who are implicated in them an example which will show that breach of trust, and tampering with public funds is one of the most ignominious of crimes.

The opprobrious circumstances which attended the collapse of the Merchants' National Bank at Washington are partly detailed in the preliminary report which has been issued of the official examination of the books of the bank by order of Mr. Clarke, the Comptroller of the Currency. If we are not misinformed, however, the truth is not all known as yet and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the first of January last the deposits of private persons were officially reported at \$602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to \$38,610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view it is a singular coincidence that the government deposits between 1st January and the failure increased from \$94,225 to \$762,312, and a more remarkable circumstance still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret, that the Merchants National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement:

"Now the facts are, that there was standing to the credit of the Treasurer of the United States only \$8,858 83. On the day of the failure the bank issued a certificate that \$1,155 81 was deposited on account of its semi-annual duty and on the same day General Robinson directed the bank to pass from his credit to that of the Treasurer of the United States the sum of \$51,258 93. No money passed in either of these last two transactions, and both were made when it was known that the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit *less than four thousand dollars*, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed *one hundred and thirty thousand dollars*. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of

Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any national bank. That in the case of the Merchants' National Bank, this examination should have been deferred until after the failure is on every account to be greatly regretted. By falsifying its returns, or by some other contrivances, a disingenuous shaky bank might deceive everybody in the office of the Comptroller of the Currency; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers at any rate must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositories of public money. If there be no regulation requiring this, such a rule should be made without delay. For how otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut.-Col. E. E. Paulding, Paymaster, United States Army, was present was the last of a series of anxious consultations of the "friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the \$300,000 of Government funds which he had deposited there, proceeded next day to place \$200,000 more in the bank, two other dishonest officers of the Government adding \$43,000 more.

Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested with the exception of Col. Paulding himself who will probably be tried by court martial. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime.

Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from this right and safe rule, that Paymaster Paulding can accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disburs-

ing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or in any other form, should be instantly disgraced and dismissed the service. It is worthy of note that no less than sixteen officials in various bureaus had money deposited in the Merchants' National Bank. As its capital was \$306,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the national banking law.

The currency now outstanding amounts to \$179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken national bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

THE ENGLISH BUDGET.

We now, as a people, necessarily feel increased interest in any facts which may shed light on the great subject of taxation. How a government may raise sufficient revenue without crippling the industries of the nation, is, with us, the absorbing question of the day. The experience of Great Britain becomes therefore of especial value and the following summary of the recent financial statement of the Chancellor of the Exchequer, as embodying some of the results of that experience will be studied with more than usual interest.

The expenditure as originally estimated was £66,139,000, and as finally sanctioned, by the Appropriation Act, £66,147,000. The actual expenditure was £65,914,000, or less than the estimate by the sum of £233,000. If, however, the cost of the fortifications, which amounted to £50,000, was deducted, the gross expenditure would be £65,474,000, or, making allowance for sundry repayments to Exchequer, £65,424,000. Making a comparison with previous years, and taking the expenditure of the year 1859 '60, he found that it was £69,761,000, but that included a large sum on account of the annuities which expired in 1860; that sum was £12,149,000, but new annuities had since been created to the amount of £710,000; showing payment in that year of £1,439,000 towards the extinction of the debt which appeared in no succeeding years. The real expenditure, therefore, of that year was £68,323,000, compared with which the expenditure of the year 1865 '66 showed a decrease of £2,900,000. That year was a most important year as regards expenditure, for the expenditure of the year before was only £63,225,000, showing an increase of expenditure in the year 1865-66 of £2,200,000. The expenditure was thus apportioned, amongst the four great charges, the debt cost £26,223,000 or 43 per cent.; the naval and military charges £24,829,000 or 40 per cent.; the Civil, Government Consolidated Fund and Miscellaneous estimates £10,250,000; the collection of the revenue £4,600,000; or taken together, 17 per cent. Comparing the revenue of last year with the expenditure, the latter, according to the exchequer accounts, was £65,914,000; the revenue, £67,812,000; showing a surplus of revenue

over expenditure of £1,898,000. But if the cost of the fortifications was included, the surplus would be reduced to £1,336,000.

This gross revenue of the year just expired was as above, £67,812,000; whilst the estimated revenue, according to his calculations in the financial statement of last year was £66,392,000. This surplus it would be found, was pretty well divided generally through all the branches of the revenue. He had estimated the decrease of the revenue at £4,028,000, but it had only been £2,386,000, the revenue having grown by the sum of one and three-quarter millions. The actual loss on tea had been singularly near the estimated loss, the estimate having been £1,868,000, while the actual loss was £1,871,000. On the income tax the loss had been £1,568,000, instead of £1,600,000 as estimated. The tax itself had rapidly grown in its productiveness. When first imposed each penny produced £700,000, but it now produced £1,400,000. With regard to the fire insurance duty, the change made last year had only been in operation actually for six months, and therefore they had only six months' experience. The result, however, was that the expectations of increase in the revenue from largely increased insurance had not been realised. He had estimated the increase as high as ten per cent., in deference to the opinions of others, and that estimate had not been realised. The loss to the revenue, which was estimated at £260,000, had really been £272,000. The property insured was £580,000,000 in value prior to the change. It had increased to upwards of £600,000,000, the increase having been at the rate of 8 per cent.; but it must be borne in mind that a large portion of the increase was due to the increased wealth of the country. The tax was one which ought to be regarded as a tax upon property, and if there was any remission it ought to be specially provided for by other taxes upon property. The malt tax had increased in productiveness from £5,800,000 to £6,410,000, and the revenue derived from the spirit duties had produced £13,959,000, which was the largest sum ever raised in any country by means of an indirect tax. The Exchequer balances had been reduced in consequence of the application of an unusual amount to the liquidation of debt from £7,691,000 to £5,851,000.

The estimated expenditure for the year was as follows:—Funded and unfunded debt £26,140,000; consolidated fund, £1,880,000; army, £14,095,000; navy, £10,400,000; collection of revenue, £5,003,000; packet service, £821,000; miscellaneous, £7,866,000; total, £66,205,000.

The total estimated expenditure last year was £66,147,000, so that there had been a small increase of the actual over the estimated expenditure. The estimated revenue was as follows:—Customs, £21,400,000; Excise, £19,750,000; stamps, £9,450,000; assessed taxes, £3,409,000; income tax, £5,700,000; Post office, £4,450,000; Crown lands, £325,000; and miscellaneous, £3,100,000; total, £67,575,000, the estimated charge being £66,225,000. The probable surplus of income over charge was £1,350,000. Of late years our policy had been specially one of free trade, and the beneficial effects of that policy had been exhibited by the commercial treaty with France. The effect in France was, that whereas in 1860 she exported cotton, linen, and woollen goods, and yarns, to the value of 327,000,000 francs, they had increased in 1864 to 517,000,000 francs. The exports of England had increased, if possible, in a still more remarkable degree, having been £58,500,000 in 1859, and £114,000,000

in 1864. This increase had been owing since the treaty with France, to the energy of the departments of the Government, and the able assistants they had employed. Austria the stronghold of the productive system, had now abandoned her ground, and we owed that result to the Chamber of Commerce, in the North-east of England—Mr. Malet, Mr. Somerset Beaumont, and Sir William Hutt. The upshot of the Austrian treaty on the Austrian side was this—that if the French standard was adopted, the Customs duties in Austria after an early date were not to exceed 25 per cent *ad valorem* on any description of British goods.

He proposed to repeal the duty on timber, and equalise the duty on wine in bottles to the duty on wine in wood; the duty on timber was as bad as it could be. It was a protective duty, and a duty on raw material of which the country stood in great want. It was an article of great bulk, of which we required large quantities, and to levy a duty upon it was the quintessence of folly. In 1814, 417,000 loads were imported, in 1841 829,000 loads. The duty was then reduced, and in 1843 the consumption rose to 1,298,000 loads. In 1850 it was 1,723,000 loads, and, further reductions having been made, the imports increased in 1859 to 2,408,000 loads, and was now upwards of 3,000,000 loads. The whole revenue from timber for the entire year was £300,000; from various descriptions of wooden goods, £7,000; from a duty laid on wood when manufactured into ships, the whole of that he should reckon as loss, because he proposed that the repeal should date back from the 1st of April, 1866. As to wine when imported in wood the charge of it was, above the alcoholic strength of 26 degrees, 1s 6d a gallon, and 1s a gallon if under that strength. They were now able to work the system of tests with great facility, and, therefore, able most cordially to yield to the remonstrances of the Austrian and also of the French Governments that there were many classes of wines, some of them of very high quality, which could be better imported in the bottle than in the wood. This change would further reduce the surplus by £58,000. There were two more changes which he proposed to reduce the duty on pepper. It was a duty very difficult to collect, and had often stood for abolition. It was a condiment largely consumed, especially in Ireland. It was chiefly consumed by those who largely used vegetable food, and not by the higher classes, and it was also frightfully adulterated, which was a peculiar English bill, for he doubted if there was any country in the world in which adulteration was practised to the same extent. The duty on pepper last year was £124,000, and allowing for the month which had elapsed and the abolition of this duty, which would take a further sum from the surplus of £112,000.

He next proposed to apportion the duties from locomotion. They were of two classes—locomotion from necessity, and locomotion for pleasure. The revenue last year from locomotion was not less than £1,000,000, including that portion of the assessed taxes derivable from carriages, horses and the servants who attend on them. With these duties, and the tax on railway passengers, he did not propose to interfere at all, but the tax on post horses, post carriages, and public conveyances bore most heavily on a large portion of the community, and the poorer classes especially in the towns, as interfering with the conveyance to and from the rural railway stations. It also effected the convenience of all classes. He would take the case of omnibuses and other public conveyances, and

he found that the duty was 11 per cent. on the gross receipts, not on the profits only. He pointed out how obnoxious the tax was, and how severely it pressed on the sinews and labor of industry. He proposed to leave the licenses on public conveyances as they were at present, until he was able to submit a thorough and searching solution of the question, but he should propose to reduce the mileage duty from 1d to $\frac{1}{4}$ d. He should be glad to abolish it, but that could not be done as those omnibuses ran in opposition to the railways, and especially to the local traffic in the suburbs of the large towns, and their passenger traffic was taxed five per cent. The duty now brought in £130,000 per annum, and it could not be reduced till July, for that could only be done by an Act of Parliament, and not by a resolution of the house. The annual loss would be £20,000 but only £80,000 would take effect this year. He had not proposed to interfere with the post horse licenses, or the hackney licenses in London, which were in a peculiar position, but he would remodel the present scale, which bore heavily on small owners, and would place the license for the carriage at £5, with certain intermediate steps up to the £30 charge. This would occasion an annual loss of £20,000, but of which only £16,000 would take effect this year. He had now disposed of £516,000 out of the surplus of £1,350,000. He should submit resolutions continuing the income tax and the tea duties at their present rate.

He then proceeded to show the steps which had been taken to reduce the debt during the last year, which, including stock purchased, Exchequer Bills, and Bills redeemed, and terminable annuities granted, amounted to £5,179,000. In the unfunded debt a great change was taking place owing to the prevailing high rates of interest, and under these circumstances it was impossible to keep the two branches of debt of which it chiefly consisted afloat without raising the rate of interest. It was, therefore, better to absorb them. The unfunded debt, which in 1859 was £18,267,000 was now £3,267,000, of which two-thirds consisted of Exchequer Bills, and one third of Exchequer Bonds. With respect to the very serious subject of the national debt, he hoped he need not apologize for calling attention to it. He was convinced, from a long experience of the financial department, that the time was come when it was their duty to pay more attention to the state, movement and prospects of the national debt. They have now almost completed their course of commercial legislation, and it would have been almost impossible to have attempted to reduce the national debt whilst this process was going on. There were still taxes which it was desirable to abolish or modify, but their case was not so pressing as to call them away from the duty of seriously considering the state of the public debt. He pointed out the effect of a high rate of interest in reducing the capital of the national debt, and said that next year there would be another falling off of terminable annuities, which would render the consideration of this subject more suitable. He, therefore, quite agreed with Mr. Mill in his observations on this question, and regretted that severe indisposition prevented him from now being present, for he had discharged a great public duty in calling attention to this matter. The national debt at the close of the great war was £902,264,000, exclusive of the sinking fund. In 1830 it was reduced to £842,000,000, and in 1840 to 837,000,000. Up to this time a great deal had been done to reduce the debt, but very little to liberate the industry of the country;

but that process was just then commencing, the debt stood at its lowest up to that time in January, 1854., when it was 800,515,000; then came the Russian war, and in 1857 the debt had risen to 834,000,000*l.*; in 1859 it had been again reduced to 323,000,000*l.*; and now, in 1866, it stood at 798,000,000*l.*

One of the most extraordinary features of the present age was the increase of the national debt of every great Power, and it would be interesting to compare them with our own. He would take that of America, and showed that its pressure was greater than our own, although the aggregate amount might be less, and that the annual charge could not be less than 35,000,000*l.* sterling; but he believed that so great were the resources of that country, that if it showed the same energy and determination as it had done during the war, that debt, although not quite a flea bite, as our own once was called, would be reduced to a small limit within the present generation. The revenue of the United States was now 90,000,000*l.* of money, the largest sum ever raised by taxation by any nation in one year, for the purposes of the Central Government, and it had been stealthily growing of late years, and, with the exception of Holland, most of the debts had been contracted within the past half century in a time of peace. The debt of Prussia stood at 43,000,000*l.*, Holland 85,000,000*l.*, Russia 279,000,000*l.*, Austria 316,000,000*l.*, France 400,000,000*l.*, Italy 152,000,000*l.*, Spain 145,000,000*l.*, Portugal 33,000,000*l.*, and Turkey 51,000,000*l.* The gross amount was upwards of 1,500,000,000*l.*; and all this had been created in a time of peace. In six out of the nine countries the debt had been increased at a rate of no less than 61,000,000*l.* sterling per annum. The result was just the same as if, with a good harvest, the country consumed the whole of it and half of another harvest besides. If peace were preserved for the rest of the century, and these debts continued at the present rate of increase, they would amount in the year 1900 to 4,000,000,000*l.* sterling per annum. These were portentous circumstances. It was not merely the money engagement, but the enormous political and social difficulty which was gradually being stored up by this most improvident course. There was nothing so insidious as financial difficulty. It approached first with smiles and caresses, and was like the young cub of the lioness taken into the house of the hunter, fawning upon its children when young but spreading destruction around when it arrived at its full maturity. We lived now in a commercial era, and, looking at its social aspects, it was almost impossible adequately to appreciate their magnitude and prospects. From five years to five years the rate of increase was continually shifting, and always shifting upwards. The liberation of industry, the progress of invention, the steady investigations of science, the improvement of social habits—all these things were combined together, and the joint result was to bring us to the conclusion that in the days of our childhood, when we thought the commerce of England was a wonderful thing and had no idea that it was going to undergo a development to a transformation; it was in point of fact, nothing but in its infancy. Our population had increased 25 per cent., but the commerce had multiplied in a much greater ratio.

The great agents of production were three—first of all, land and fixed capital; secondly, moveable and transferable capital; and lastly, labor. The commerce of the United Kingdom, with its 30,000,000 of population

was as great as that of France and America with their 70,000,000 of population. We had great natural advantages from our accumulated capital and our geographical position, but the great cause of our pre-eminence was to be found in our possession of mineral treasures, and especially of coal, which we possessed under such circumstances that they were able to raise it to the surface at a very small cost but the rate of the increase of our production and consumption of coal had now become such that the minds of the greatest among our scientific men had been turned to the question what the influence upon the supply would be if the present rate of increase continued. It was of no use to say that a substitute for coal would be found. If it was found it could not be peculiar to England, and in the end we must lose our pre-eminence in this respect. Every year on the average the consumption of coal was 3.7 per cent greater than it was the previous year, and taken at $3\frac{1}{2}$ per cent only would give an annual consumption of 2,640,000 tons in 100 years, a much larger quantity than was known to exist in the country. He quoted these facts from the work of Mr. Stanley Jevons: but other authorities—Sir W. Armstrong, Dr. Percy, and Sir Roderick Murchison—had arrived at the same conclusion, and believed the question to be one of the greatest importance. Under these circumstances he said it behoved us to make some provision for diminishing the national debt, so that we should not leave our encumbrances on our successors.

There were two modes in which we could make provision for extinguishing the national debt—first, by application of the surpluses of income over expenditure; second, by the conversion of perpetual into terminable annuities. What he proposed was this—that the £24,000,000 standing in the State deposit account in connection with the savings' banks should be converted into annuities of 1895. That conversion would raise the charge from £720,000 to £1,725,000, or in round numbers would increase the charge by a million of money annually; but by payment of certain dividends the total charge for 1865-7 would be £1,222,000, imposing an additional burden of £503,000. He further proposed that so much of the dividends of the annuities as were not required to meet the demands upon the Government should be reinvested from year to year. He assumed that there would be a sum of £50,000 to reinvest, and upon that supposition the result would be thus—the annual charge, which began at £419,000, would gradually mount up until it reached in 1885 £1,444,000, and the amount of public debt cancelled by that time would be £50,000,000 a year. In conclusion the right hon. gentleman said the amount of the surplus was £1,350,000; the remissions would be, on wood £307,000, wine £58,000, on pepper £112,000, post horses and stage carriages £55,000—making together £562,000; the conversion of debt, £502,000; making the total £1,064,000, and leaving a surplus of £286,000. In the following year there would be a further charge in respect of our commercial charges of £48,000, and an additional sum for the reduction of debt, the joint result of which would be that the next year would be burdened to the extent of about a quarter of a million.

DEBT AND FINANCES OF GEORGIA.

The amount of bonds issued previous to the war by the State of Georgia and outstanding March, 1866, including unpaid coupons, was \$3,874,200. These are accounted for in the following abstract:

Issued for	5 per cent.	6 per cent.	7 per cent.	Total.
19.. Central Bank.....	\$.....	\$.....	\$6,000	\$6,000
20.. " ".....	.....	.....	10,000	10,000
21.. Western & Atlantic R. R.....	.....	18,000	48,000	66,000
22.. " ".....	.....	40,500	.....	40,500
23.. Central Bank.....	.....	.....	53,500	53,500
24.. " ".....	.....	.....	40,000	40,000
25.. Western & Atlantic R. R.....	.....	18,000	.....	18,000
Past due.....	.....	76,500	157,500	234,000
26.. Western & Atlantic R. R.....	\$.....	\$176,500	\$.....	\$176,500
27.. " " " (sterl'g).....	72,000	262,500	.....	334,500
28.. " " ".....	.....	134,500	.....	134,500
29.. " " ".....	.....	153,750	.....	153,750
30.. " " ".....	.....	623,500	100,000	723,500
31.. " " ".....	.....	169,500	.....	169,500
32.. " " ".....	.....	75,000	176,500	251,500
33.. Atlantic & Gulf R. R.....	.....	100,000	.....	100,000
34.. " " ".....	.....	200,000	.....	200,000
35.. " " ".....	.....	200,000	.....	200,000
36.. " " ".....	.....	100,000	.....	100,000
Not yet due.....	72,000	2,195,250	276,500	2,543,750
Total outstanding.....	72,000	2,271,750	434,000	2,777,750
Coupons due to March, 1866.....	.....	.....	.....	596,550
Total funded debt March, 1866.....	.....	.....	.....	\$3,874,200

From the above statement it appears that the principal sum of \$234,000 was in March last past due, and that there was also due for coupons not paid the further sum of \$596,550, making together an aggregate requiring immediate legislation of \$830,550. For the payment of this over-due money provision was made in the eighth section of an act passed by the General Assembly of the State and approved by the Governor, March 12, 1866. The act referred to also authorizes the issue of \$1,500,000 to meet appropriations made and to be made, and for the repairs and equipment of the Western & Atlantic Railroad; and also \$600,000 to pay the State's proportion of the \$20,000,000 direct tax (\$524,867 88) collectable by the United States under the act of Congress approved August 5, 1861.

Including the above and the undelivered bonds to be paid to the Atlantic & Gulf Railroad for the State's subscription to the stock thereof under the act of 1858, the funded debt of the State when all is paid up and settled will stand as follows:

Bonds outstanding and not yet due.....	\$2,543,750
" " due and not to be paid with other bonds.....	234,000
Coupons due and to be paid with bonds.....	596,550
Bonds to Atl. & Gulf R. R. per act of 1858.....	\$700,000
Bonds to West'n & Atl. R. R. per act Mar. 12, 1866, sec. 1.....	1,500,000
Bonds to U. S. per act Mar. 12, 1866, sec. 7.....	600,000
Total outstanding and appropriated.....	\$6,174,300

The immediate resources of the State, beyond the taxable value of real and personal property, are as follows:

Western and Atlantic Railroad, from Atlanta to Chattanooga, about 187 miles, constructed and owned exclusively by the State (first appropriation made in 1836, and last in 1854).....	\$4,441,532
Atlantic and Gulf Railroad, in which the State owns 7,000 shares, all paid in....	700,000
	<u>\$5,141,532</u>

And to this should be added 2,209 shares of \$100 each, in bank stock and some minor items, the actual value of which cannot yet be determined.

The railroad property is all valuable. The Western and Atlantic Railroad for several years before 1863 paid into the State Treasury, as net earnings, about 10 per cent on the original investment, and is rapidly increasing in productiveness. The Atlantic and Gulf Railroad is not yet completed; it is now open to Thomasville, and will be finished to the Chattoahoochee in a comparatively short period. This road is in the direct line from the Atlantic at Savannah and Brunswick, and will connect with the Western State line with the Florida lines to Pensacola, Mobile, and New Orleans.

The valuation of the State (exclusive of slave property) returned for taxation in 1860 was \$349,627,722; in 1861 it was \$350,486,612, expressed in confederate currency. The probable valuation now is \$350,000,000. As a matter of record, we here give in detail the returned valuations of the years covering the late war, the tax being collectable in the next ensuing year:

	1860.	1861.	1862.	1863.	1864.
Taxable property.	\$	\$	\$	\$	\$
Land.....	161,764,955	161,624,344	150,240,623	156,713,853	233,622,550
City and town prop.....	35,139,415	35,510,699	34,010,410	51,756,808	91,333,157
Money & solv't debts.....	107,836,258	112,361,877	108,432,823	112,230,333	157,041,173
Merchandise.....	15,577,193	12,720,623	6,246,330	52,578,739	99,565,092
Shipping & tonnage.....	943,940	912,570	166,310	675,000	2,967,353
Stocks, manuf's, &c.....	4,034,252	4,850,102	4,805,407	16,276,004	21,320,496
Household & kitchen fur.....	2,374,281	2,215,646	2,327,307	4,194,939	14,077,095
Other, not enumerat'd.....	42,427,295	41,604,747	41,485,533	66,140,353	194,612,556
	\$369,727,922	\$71,733,508	\$47,850,223	\$70,560,713	\$50,476,413
Slaves.....	302,694,853	272,015,490	230,502,040	379,430,414	762,105,364
Total value.....	672,422,777	643,803,998	578,352,263	840,041,127	1,612,581,777

The following exhibits the returns upon which the general and specific taxes are based:

Polls.....	29,748	101,505	91,563	52,764	39,967
Professions.....	2,699	2,720	1,913	640	1,717
Dentists.....	96	95	44	44	3
Daguerrean artists.....	66	62	33	33	3
Free persons of color.....	1,225	1,273	963	1,053	57
Acres of land.....	33,345,259	33,663,723	32,492,761	26,808,861	25,522,567
Slaves.....	450,033	460,788	473,761	486,170	432,066
Childr'n betw'n 6 & 18.....	.....	.....	.....	102,125	97,473
Hands emp'd'n 12 & 15.....	.....	.....	.....	34,561	34,366
do 15 & 55.....	.....	.....	.....	100,964	166,127
do 55 & 65.....	.....	.....	.....	11,161	11,730
Sheep.....	.....	.....	.....	.....	47,365
Sheep killed by dogs.....	.....	.....	.....	.....	21,046
Dogs.....	.....	.....	.....	.....	51,422

The average returned value per acre of land was: in 1860 \$4.85, in 1861 \$4.30, in 1862 \$4.68, in 1863 \$6.35, and in 1864 (in 108 of the 132 counties, 24 counties making no returns) \$10.75. The returns for 1860-61, and '62 were made upon the specie currency basis; and the returns for 1863 and 1864 were as required by law, made upon the value in Confederate currency. The reason the item of merchandise was so much increased in 1863 and 1864 was because all cotton, except that in the hands of the original producer, was taxed under that head in those years. The receipts into the Treasury from General and Income Tax for the fiscal year 1865, collected on the first of 1864, amounted to \$14,015,225 (comf. value), and the total receipts to \$14,628,603. The disbursements in that year amounted to \$11,573,605, leaving in the treasury \$3,054,998 or, including the balance from previous year, \$5,201,086; which amount, being in Confederate currency, became worthless by the result of the war.

No assessment was made in the year 1865 for the service of the next fiscal year. By a law approved March 3, 1866, however, the Governor with the assistance of the

Comptroller-General, was authorized to assess and levy such a per centage on taxable property as will produce the sum of \$350,000, and in addition to this ad valorem tax, certain specific taxes, viz.: on every male inhabitant between 21 and 60 years of age, \$1; on professional men and artists \$10; on auctioneers and billiard table keepers \$25; on bagatelle table and ten-pin alley keepers, &c., \$10; on race-track keepers \$50; on circus companies, for each exhibition, \$25; on every agent or person engaged in any gift lottery or enterprize in any county \$1,000; on spirits sold by others than distillers 25 cents per gallon, &c.—the taxes to be collected in United States currency. It is supposed that these specific taxes will bring in \$150,000, which, with the amount raised by general tax, will supply, in the aggregate \$500,000. No revenue is expected from the railroads, the whole net earning being required for repairs and reconstruction. Of the sums thus to be realized more than \$200,000 will be required for interest on the debt; which will leave \$200,000 for the State government and legislature, and \$100,000 for educational and charitable institutions and miscellaneous purposes.

It is thus apparent that Georgia is amply able to sustain its credit before the world. Its legislature has provided adequately both for its debt and income. Before the war the character and credit of no State in the Union stood higher than that of Georgia. Her bonds commanded at least as fair a price as that of any other State, and even since the close of the war have sold at far better rates (95@100) than those of any other Southern State. This is due to her good faith, and her promptness in meeting all her obligations. The loss of her slaves may or may not have crippled individual means, but the other resources of the people are still great and increasingly productive.

The amount of the debt contracted by the State during the war, and which has been thoroughly wiped out by the acceptance of the terms offered by President Johnson, as precedent to the restoration of the State government, amounted to about \$18,000,000. As a matter of history, however, a summary of the securities constituting the evidences of this debt it is presumed will be interesting, and on this account only it claims notice at our hand. The following we abbreviate from the Report of the Comptroller General to the Provisional Governor in October, 1865:

State Defence Bonds authorized by act of Nov. 16, 1860, (7s, due 1881).....	\$842,500
do do do do (6s, due 1881).....	25,000
Confederate Tax Bonds, authorized by act of Dec. 11, 1861, and sold to pay the tax assessed on the State by the Confederate Congress under act of Aug. 16, 1861....	2,441,000
Funded debt.....	\$3,808,500
Treasury Notes and "Certificates of Deposit, payable in 8 per cent bonds or specie, six months after a treaty of peace, or when the banks of Savannah and Augusta resume specie payments, if before that time.....	3,758,000
Treasury Notes and Certificates of Deposit "payable in specie or 6 per cent bonds of the State, six months after a treaty of peace shall have been ratified between the U. S. States and the Confederate States"	4,800,000
Making the bonded debt and debt promised in specie or bonds.....	\$11,866,500
Treasury Notes made payable in Confederate Treasury Notes "if presented within three months after maturity; otherwise not redeemable except in payment of public dues"	5,171,500
Change Notes, made "payable only in Confederate Treasury Notes"	997,776
Total outstanding October 16, 1865.....	\$18,035,776

The following is a copy of the act passed by the General Assembly in relation to the debt of the State and approved by the Governor, March 12, 1866:

SECTION 1. *Be it enacted by the General Assembly of the State Georgia*, That for the purpose of raising funds to meet appropriations made, and to be made, and for the repairs and equipment of the Western and Atlantic Railroad, his Excellency the Governor is hereby authorized to issue and negotiate bonds of this State for an aggregate amount of one and a half million of dollars—said bonds to bear interest at a rate not exceeding seven per cent per annum, payable semi-annually, at such place or places as he may choose to designate. The said bonds shall run for a period of not longer than thirty years, and may be, if the Governor so directs, redeemable

in not less than five nor longer than twenty years, at the option of the State, and known as "Five Twenties," or of such other form as he may deem most desirable.

SEC. 2. The said bonds shall be signed by his Excellency the Governor, and countersigned by the Comptroller General, and by him to be registered in a book to be kept for that purpose. If coupons are attached, then shall be signed by the Treasurer, or some one appointed by the Governor to perform that service.

SEC. 3. For the purpose of effecting the negotiation of said bonds, the Governor is authorized to employ an agent, or agents, to visit such place or places as he may direct, and to empower such agent to make the negotiation upon such terms, and with such limitations as the Governor may instruct, not inconsistent with the provisions of this Act.

SEC. 4. For the payment of the interest on said bonds, and for the creation of a sinking fund to discharge the principal of the same, there shall be annually set apart and pledged, so much of the income of the Western & Atlantic Railroad, as will amount to the annual interest, and three per cent upon the principal debt, which pledge shall be incorporated in the bonds aforesaid, and the said sinking fund shall be invested from time to time in the purchase and cancellation of said bonds, or in such securities as the Legislature may direct; but should his Excellency the Governor find it impolitic, or not desirable, to provide such sinking fund, or pledge the income of the said road, or he prefer to give other or additional security, then the Superintendent and Auditor of the Western and Atlantic Railroad shall, on request of the Governor, make and execute to three Trustees, to be appointed by him, mortgage upon said road, its appurtenances and franchises, which said mortgage shall be a lien upon the same, for the security and benefit of the bondholders, and may be enforced against said Western and Atlantic Railroad as a corporation. On failure of the State to redeem said bonds, or to pay the interest as it falls due, said Trustees shall proceed to foreclose and enforce said mortgage lien whenever requested to do so by any holder of said bonds where the same are over due, or the interest unpaid.

SEC. 5. *Be it further enacted*, That the limitation heretofore placed by an ordinance of the convention limiting the discount of certain bonds authorized by said convention to be issued, is hereby removed, and said bonds shall or may be negotiated upon like terms and conditions as the bonds authorized by this Act to be issued.

SEC. 6. *Be it further enacted*, That all laws heretofore passed appropriating the income of the Western and Atlantic Railroad for other purposes be, and the same are hereby repealed, except in such cases where the repeal of the same would operate as a violation of contract; *provided*, that nothing in this Act shall be so construed as to repeal an Act to provide for the education of the children of this State between certain ages, and to provide an annual sinking fund for the extinguishment of the public debt, assented to December 11th, 1858, but the net income appropriated by said Act shall not be paid until the interest on State bonds and the three per cent sinking fund shall be first set aside.

SEC. 7. *Be it further enacted*, That his Excellency the Governor is hereby authorized to issue and negotiate bonds to the amount of six hundred thousand dollars, at such time and rate of interest not exceeding seven per cent, as he may find necessary and proper for the purpose of paying to the Government of the United States the land tax about to be levied on the people of the State of Georgia, in behalf of the Government of the United States—said tax amounting to five hundred and eighty-four thousand three hundred and sixty-seven dollars and thirty-three cents, and interest which may be due thereon.

SEC. 8. *Be it further enacted, &c.*, That his Excellency the Governor is hereby authorized to issue bonds in renewal of bonds now due, and interest thereon, amounting in the aggregate principal and interest, to the sum of eight hundred and thirty thousand five hundred and fifty dollars, the bonds so issued by virtue of this section to bear the same rate of interest, to be payable at the same time, and to be covered by the same security, as the bonds authorized to be issued in the first section of this Act.

SEC. 9. All laws and parts of laws militating against this Act are hereby repealed.
Approved, March 12th, 1866.

PUBLIC DEBT OF ALABAMA.

The public debt of Alabama is thus stated by Governor Patton in his message to the Legislature, dated January 15, 1866 :

Description of bonds.	Amount.	Ann'l Int.	Int. due.
Five per cent coupon bonds, payable in N. Y.....	\$2,100,000	\$105,450	\$37.40
Five per cent coupon bonds, payable in Lond.....	640,000	32,400	22.40
Six per cent coupon bonds, payable in Lond'n.....	628,000	41,280	41.20
Aggregate amount.....	\$3,448,000	\$179,130	\$442.50
Interest.....	442,000		
Total including interest.....	\$3,897,000		

The above is entirely apart from the domestic debt, which is held chiefly by the Common School 16th section Fund. The Comptroller, Hon. M. A. Chisholm, gives the figures as follows :

		Annual Int.
Six per cents, issued to the School Fund.....	\$1,710,000 44	\$102,600 26
Eight per cents, issued to University Fund.....	300,000 00	24,000 00
Eight per cents, issued to Valueless 16th sec. Fund.....	97,091 21	7,767 29
Aggregate amount.....	\$2,107,091 65	\$134,367 55

Which interest is paid by an annual appropriation, the principal sums being considered irredeemable trust funds.

The debt contracted during the late war, and which has been repudiated under President Johnson's conditions precedent to State reconstruction, was briefly as follows :

Eight per cents, payable principal and interest at Mobile	\$678,500 00
do do do do at the State Treas'y.....	8,171,000 00
Six per cents, do do do do do	2,085,000 00
State Treasury notes issued, without interest.....	4,042,680 00
do do (change bills,) without interest.....	8,122,651 95
Aggregate amount issued.....	\$13,094,731 95

The last two paragraphs have been inserted simply parenthetically as matters of record. The Domestic Debt is a matter of local importance only, and the War Debt no longer exists. Our subsequent remarks will therefore be confined strictly to the debt proper, or that which is held beyond the limits of the State.

The interest on the New York series of bonds is payable semi-annually May 1 and November 1. The amount of interest to be provided annually for these bonds is \$105,450. The last interest paid included that due November 1, 1861, and hence at the same date in 1865, there was due four years' interest, or \$421,800. But of this amount \$53,400 had already been paid to the Bank of Mobile for distribution, so that the balance due and unpaid is less by that amount, namely, \$368,400.

The interest on the London bonds, which is payable semi-annually January 1 and July 1, was paid up to January 1, 1865, and hence at the same date 1866, only one years interest was due and unpaid, viz., on the five per cents \$82,400, and on the six per cents \$41,280, or together \$73,680.

In speaking of this debt the Governor remarks :

"Special provision should be made for the payment of this accumulated interest at as early a day as practicable. This is not only demanded by a principle which is just in itself, but it would incidentally tend to restore the credit of the State, and greatly strengthen the inducements for advantageous loans upon the bonds now authorized by law.

"Our bondholders in London have made a formal proposition to receive payment for the interest now due, and the dividends up to the 1st of January, 1867, in State bonds bearing the same rate of interest as those they now hold. This, under all the circumstances, is a liberal proposition, and I think it ought to be acceded to. I have no doubt that similar terms would be accepted by our New York creditors. I therefore recommend that authority be given to issue bonds, in addition to those already provided for, to an amount sufficient to pay our present arrears of interest, together with that which will accrue up to the 1st of January, 1867. We may reasonably hope that by that time, our finances will be in a condition which will enable us to resume the regular semi-annual payment of our interest liabilities."

In response to the very appropriate recommendation of the Governor, an act was passed by the Legislature authorizing the funding of the past due coupons into bonds similar as to date and interest to the principal bonds. The Comptroller will furnish us with a copy of said act when printed, and we expect to be able to republish it in the CHRONICLE at an early date. In the meanwhile, we may state that negotiations are now being carried on both in London and New York, looking to the full satisfaction of the State's creditors.

It is scarcely necessary to canvass either the will or the way of the State to meet these demands. The people of Alabama have never suffered their public credit to be tarnished by even the shadow of repudiation ; and as to ways and means the State is amply wealthy to bear such a debt as that which we are now considering. Ala-

bama, indeed, is one of the most productive cotton States of the Union, being second only to Mississippi, and in 1860 yielded one-fifth part of the aggregate crop. The State has also great wealth in its live stock, and produces largely in a variety of ways, including manufactures. Its lands are fertile and high priced. These considerations presuppose great taxable ability, and form the best basis for public credit. The assessed valuation of property in the State increased in the ten years ending June 1st 1860, no less than 117 per cent, having been in 1850 \$228,204,332, and in 1860 \$495,237,078. The State debt, including the interest now past due and to accrue to January 1, 1867, will not exceed much the sum of \$4,000,000, requiring about \$200,000 for annual interest—not more than half of one per 1,000 of the assessed value of the property liable to taxation. It must also be borne in mind that Alabama is a progressive State, and that every year will further divide the burden, and give increased ability to the people to bear taxation.

Seven hundred and fifty thousand (750,000) dollars a year will not only cover the whole of the State expenditures, including interest, but also afford a handsome sum towards the final liquidation and extinction of the principal of the States indebtedness.

The State will also have to provide for the payment of its proportion of the United States direct tax of \$20,000,000 under the law of Aug., 1861, which amounted to \$529,313 33. If this sum be raised on bonds, the debt will be increased in a corresponding amount.

ANALYSES OF RAILROAD REPORTS. No. 9.

I. Michigan Southern and Northern Indiana Railroad.—II. Erie Railway.—III. Central Railroad of New Jersey.

MICHIGAN SOUTHERN AND NORTHERN INDIANA RAILROAD.

The Michigan Southern and Northern Indiana Railroad consists of a main line and several branches, as follows:

Main Line—Toledo to South street, Chicago.....	miles.	242.4
Branch Lines { Toledo to Elkhart (Air line).....		12.2
{ Toledo Junction to Detroit Junction.....		15.1
{ Adrian to Monroe Junction.....		22.6
{ Lenawee Junction to Jackson.....		41.8
{ Palmyra Junction to Lenawee Junction		25.7
Owned jointly with Chicago & Rock Island Co. at Chicago.....		1.5
Leased of Detroit & Milwaukee R.R. Co.....		2.4

Total length owned, leased and operatedmiles. 375.3
—not including 53.23 miles of side track on roads owned by company, and 0.75 owned jointly with the Chicago and Rock Island Company.

EQUIPMENT—ENGINES AND CARS.

	1861-2.	1862-3.	1863-4.	'64-5.	'65-6.
Number of engines.....	83	83	86	97	97
Passenger cars.....	75	68	67	70	75
Baggage, express, etc.....	86	43	43	53	44
Freight cars—Caboose.....	100	150	160	170	170
“ 12-ton stock.	108	613	943	836	434
“ 10-ton box.....	492	200		230	137
“ 10 and 12-ton platform.....	206	123		60	10
“ 8-ton box.....	150	2	3	2	1
Wrecking cars.....	2	2	3	2	1

The number of miles run by trains hauling cars in the same years were as follows.

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passenger trains.....	657,970	682,382	786,985	785,284	830,773
Freight trains.....	970,559	1,187,409	1,245,465	1,151,612	1,121,523
Wood and gravel trains.....	146,892	190,346	189,027	200,226	211,573
Total.....	1,775,221	2,060,137	2,171,477	2,137,122	2,163,869

PASSENGER BUSINESS.

The following table shows the number of passengers carried on the road, and the number of miles traveled by passengers :

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passengers carried.....	837,640	891,723	576,897	831,365	915,475
Viz—Through.....	57,094	66,138	96,414	133,197	142,699
Way.....	280,546	330,585	480,483	696,168	772,776
Eastward.....	163,684	192,974	208,904	400,798	437,724
Westward.....	178,956	203,749	271,579	430,567	477,751
Miles through travel.. ..	13,962,212	16,544,660	23,690,068	33,260,243	35,105,489
Miles way travel.....	11,142,989	12,933,716	18,040,202	28,212,298	34,372,898
Total miles traveled.....	25,105,231	29,478,376	41,730,270	61,472,544	69,478,387
Gross earnings.....	\$710,417	\$892,138	\$1,244,129	\$1,875,061	\$2,021,247
Earnings per mile .cts.....	2:83	2:65	2:98	2:75	2:86
Viz—Thrh passengers.....	2:10½	2:17	2:17	2:33	2:45
Way do	3:26	3:26	3:43	3:28	3:27

FREIGHT BUSINESS.

The freight business of the road (tons) is stated in the following table

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Through freight.....	183,189	246,632	243,905	194,609	211,144
Viz—Eastward.....	143,306	193,262	183,475	126,631	137,636
Westward.....	89,823	53,370	60,430	68,038	73,508
Way freight.....	269,569	296,994	315,074	332,832	358,196
Viz—Eastward.. ..	181,757	213,664	206,361	228,941	237,862
Westward.....	87,812	83,330	108,713	103,891	120,334
Total freight....tons.....	452,708	543,626	558,979	527,501	569,340
Tons carried one mile.....	66,455,696	85,951,630	86,103,221	77,875,578	83,044,900
Gross earnings.....	\$1,890,513	\$1,766,135	\$1,981,527	\$2,206,412	\$2,410,933
Earnings (per ton) per mile.....cts	2:092	2:099	2:296	2:833	2:903
Viz—Through, per mile	1:516	1:536	1:825	2:202	2:051
Way, per mile.....	3:309	3:406	3:366	3:266	4:341

The most remarkable fact elicited by the above tables is the enormous development of the passenger traffic, which in 1865-6 was 69½ million miles traveled against 25 millions in 1861-2, showing an increase of 178 per cent. In the meantime the earnings from passengers advanced from \$700,000 to upwards of \$2,000,000, the average earnings per passenger per mile having retained the same rate nearly. The tons of freight carried in 1865-6 was only about 20 per cent more than in 1861-2, but the average charge per ton per mile had increased from 2.09 to 2.90 cents.

EARNINGS AND INCOME ACCOUNT.

The following statement gives a brief recapitulation of the sources and disposition of income for the five last fiscal years :

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passenger earnings.....	\$710,417	\$892,138	\$1,244,129	\$1,875,061	\$2,021,247
Freight do	1,419,498	1,804,582	2,016,857	2,242,972	2,455,408
Mail do	53,966	53,966	53,515	53,844	54,786
Express do	28,754	31,210	41,829	74,386	101,556
Rents do	23,219	18,919	17,868	17,384	19,025
Other sources.....	14,664	18,016	10,101	26,819	34,428
Total earnings.....	\$2,250,513	\$2,813,831	\$3,384,294	\$4,289,466	\$4,686,445
Expenses	1,112,970	1,352,555	1,753,517	2,408,352	2,749,657
Net earnings.....	\$1,137,543	\$1,461,276	\$1,630,777	\$1,881,114	\$1,936,788

From which were paid as follows :

Interest on bonds.....	\$780,162	\$654,762	\$656,393	\$597,602	\$595,480
Interest, exchange and discount.....	42,053	22,599	3,324	*	15,764
State and local taxes.....	57,962	57,680	70,996	*	78,356
National taxes.....	.....	15,901	38,010	*	128,635
Rent of Erie & Kal. R.R.....	30,000	30,000	30,000	30,000	30,000
Contributions to Sinking Fund.....	85,537	278,000	115,842	120,000	133,000
Div. on Guar. stock.....	...	.....	259,905	218,360	166,280
Div. on Com. stock.....	.....	.....	...	555,328	277,664

* Not stated in report, no profit and loss account loss having been published.

All balances remaining have been expended on construction or equipment, or in settlement of claims against the company, &c. The total balance to the credit of the stockholders was, on March 1, 1866, \$1,802,446.56.

The following table shows the gross earnings made on the roads and branches operated by the company separately:

The passenger earnings were as follows—

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Main line.....	\$476,855	\$591,460	\$849,776	\$1,263,974	\$1,400,027
Air line.....	49,997	63,917	87,060	161,779	172,522
D. Mon. & Tol.....	66,578	76,796	125,742	198,559	212,574
Jackson Branch.....	25,259	27,614	33,720	52,579	53,653
Monroe & Adrian.....	16,185	19,085	28,955	44,236	42,144
Three Rivers Br'ch.....	2,878	2,099	1,975	.....	.....
Milit'y transport'n.....	72,665	111,166	116,901	183,845	71,554

And the freight earnings as follows—

	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Main line.....	\$1,102,289	\$1,413,980	\$1,599,132	\$1,680,458	\$1,841,373
Air line.....	157,038	192,215	195,135	291,422	283,444
D. Mon. & Tol.....	62,079	87,402	105,849	158,731	151,677
Jackson Branch.....	24,959	26,835	30,363	33,873	47,214
Monroe & Adrian.....	32,064	40,984	47,430	58,350	51,648
Three Rivers Br'ch.....	5,063	4,788	3,618	3,577	.....
Storeage.....	28,985	38,147	35,323	36,560	44,479

From the above it must be evident that the company does not operate the branch lines without loss, and this must be made up from the earnings of the main line to the detriment of dividends. These branches, indeed, have been the great drawback with which the company have had to contend.

ABSTRACT OF GENERAL BALANCE SHEET.

The financial condition of the company, as shown on the balance sheet yearly, at the close of the fiscal years Feb. 28, 1862-66, is set forth in the following abstract:

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Common stock.....	\$6,124,600	\$6,124,600	\$7,536,800	\$7,536,600	\$9,391,400
Guaranteed stock.....	2,893,600	2,893,600	2,588,600	2,183,600	1,099,700
Total stock.....	\$9,018,200	\$9,018,200	10,120,400	\$9,720,200	10,471,100
1st gen. mort. less held by sinking fund	3,030,000	5,073,000	4,512,000	4,822,000	4,533,700
2d do do do do do do	2,572,000	2,656,500	2,194,500	2,194,500	2,252,500
Goshen Air Line bonds*	1,116,000	701,000	693,000	682,000	651,000
Jackson Branch bonds*	128,000	81,000	77,000	77,000	.....
Detroit, Monroe & Tol b'ds.....	684,000	812,000	734,000	734,000	734,000
Michigan Southern, 1st m.*	850,000	14,000	2,000	1,000	.....
N. Indiana, 1st mortgage*	904,000	42,000	21,000	6,000	4,000
Mich. Southern plain b'dst.....	44,000	16,000	.....	.....	.....
North. Indiana, plain b'dst.....	100,000	20,000	10,000	7,000	1,000
Erie and Kalamazoo.....	300,000	103,000	41,000	33,000	37,000
Scrip.....	22,707	8,578	2,755	2,615	1,575
Total funded debt.....	\$9,750,707	\$9,527,078	\$8,987,255	\$8,564,115	\$8,537,175
Bill payable in New York	239,530	81,236	15,000	10,000	210,000
Div. & coup. unclaimed, &c.....	40,335	23,592	22,229	42,326	21,564
Due on guaranteed stock.....	.....	.....	18,295	250,078	.....
February expenses, &c	156,696	140,219	163,519	381,498	302,707
Bills payable at Toledo.....	12,999	1,000	5,267	25,000	2,000
Total floating debt.....	449,560	245,047	224,310	709,902	653,971
Aggregate.....	19,218,467	18,790,325	18,631,965	18,994,217	19,672,641

Against which are charged as follows, viz.:

Railroad.....	18,616,404	18,618,694	18,619,185	18,619,185	18,619,185
Equipment.....	1,644,259	1,644,259	1,644,259	1,644,259	1,644,259
Steamboats	691,278	.....	.....	.....	.....
Detroit, Monroe & Tol R R.	1,285,182	1,285,182	1,291,068	2,291,988	1,791,988

* Convertible into 1st general mortgage sinking fund bonds.

† Convertible into Detroit, Monroe and Toledo bonds.

D. M. & T. R.R. stock at par.....	275,000	368,200	372,500	406,800	409,500
Fuel and materials on hand.....	197,832	206,999	288,726	670,373	547,025
Union stock lands at Chic.....	.....	.....	.....	82,338	150,000
Outside property.....	69,141	67,061	23,621	15,621	5,000
Available assets.....	229,872	282,402	478,985	853,182	175,686
Nominal assets.....	444,793	324,767	73,655	72,656	27,573
Profit and loss	765,205	997,830	839,966	896,940	1,802,446
Aggregate.....	19,218,467	18,790,325	18,631,965	18,994,217	19,672,646

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of property per mile of road ; the gross earnings, expenses, and profits per mile ; the ratio of expenses to earnings per cent, and the ratio of profits to cost per cent :

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Cost per mile of road.....	\$32,410	\$32,584	\$32,614	\$32,692	\$32,682
Gross earnings, per mile.....	4,336	5,421	6,521	8,205	9,030
Expenses, per mile	2,144	2,606	3,378	4,440	5,299
Profits, per mile.....	2,192	2,815	3,143	3,625	3,731
Expenses to earnings, p. cent..	49.45	48.07	51.90	56.14	58.68
Profits to cost, per cent.....	6.77	8.63	9.64	11.08	11.41
Dividend : common stock .....	.....	.....	.....	7.00	3.50
do guaranteed stock.....	.....	.....	10.00	10.00	10.00

PRICE OF STOCKS AT NEW YORK.

The following table gives the lowest and highest prices of the company's stocks at New York for each month of the past three years :

	Common.			Guaranteed.		
	1863-64.	1864-65.	1865-66.	1863-64.	1864-65.	1865-66.
March	53½ @ 61½	98 @ 118½	49½ @ 67	94½ @ 109	143 @ 150 @
April.....	55½ @ 67½	84½ @ 118½	50½ @ 74½	98 @ 110	127 @ 165 @
May.....	67½ @ 83	85½ @ 100½	55 @ 72½	108½ @ 122½	130 @ 143 @
June.....	68½ @ 81	93½ @ 100	57 @ 65½	110½ @ 119	140 @ 143½	125 @ 130½
July.....	73½ @ 89½	80½ @ 94½	62 @ 68	111 @ 117	133 @ 140 @
Aug.....	88 @ 113	8½ @ 92½	60½ @ 67½	113½ @ 140	140 @ 149½ @
Sept.....	77 @ 108½	71 @ 85	65½ @ 70½	124 @ 137	125½ @ 147	130 @ 135½
Oct.....	79 @ 89½	57 @ 71½	68 @ 84½	134½ @ 156	132 @ 132	125 @ 135
Nov.....	79 @ 87½	68½ @ 77½	71½ @ 82	135 @ 151	140 @ 146½	135 @ 138
Dec.....	77 @ 89	63½ @ 74½	73½ @ 76½	130 @ 135	141 @ 146	140½ @ 113½
Jan.....	81½ @ 90	61 @ 75	66½ @ 75½	132½ @ 141	135 @ 145½ @
Feb.....	88½ @ 99	63½ @ 72	66½ @ 71½	133 @ 142½	135 @ 140 @
Year..	53½ @ 113	57 @ 118½	49½ @ 84½	94½ @ 156	125½ @ 165	125 @ 143½

The history of the Michigan Southern and Northern Indiana Railroads appears in the November (1855) number of the MAGAZINE, and to this the reader is referred for other matters relating to the company.

ERIE RAILWAY.

The Erie Railway (successors to the New York and Erie Railroad) Company commenced business operations on the 1st January, 1862. The following tabulations present an analysis of the company's affairs annually from that date.

ROAD AND EQUIPMENT.

The several lines owned by the company are as follows :

	Close of year—			
	1862.	1863.	1864.	1865.
Main Line—Jersey City to Dunkirk.....miles	460	460	460	460
Branch—Ramapo to Piermont.....	18	18	18	18
“ Chesterville to Newburg.....	19	19	19	19
“ Hornellsville to Attica	60	60	60	60
Total length owned by company	557	557	557	557
Second track.....	130	190	191½	206
Sidings.....	122	181	145	157
Total equiv. single track owned.....miles	859	878	898½	919

The branch roads leased and operated by the Erie Company in each year have been as shown below :

	1862.	1863.	1864.	1865.
Chemung—Elmira Junct. to Jefferson.....miles	18	18	18	18
Canandaigua & Elmira—Jefferson to Can'gua.....	48	48	48	48
Buffalo Division—Corning to Buffalo.....	..	140	140	140
Rochester Division—Avon to Rochester... ..	..	18	18	18
Hawley Branch—Lackawaxen to Hawley.....	..	..	16	16
Total length leased and operated... ..miles	66	224	240	240
Second track and sidings.... ..	5	19	19	21
Total equivalent single track leased.....	71	243	259	261

The Warwick Valley Railroad, 10 miles from Chester to Warwick, is also operated, but not leased. This road is operated in connection with the Newburg Branch Railroad the Company receiving payment in a fixed sum per mile run.

The average length of track operated in the several years (the Buffalo and Rochester Divisions having been taken into possession May 1, 1863) was as follows:

	1862.	1863.	1864.	1865.
Length of route.....miles	628	729	797	797
Length of second track and sidings	307	334	355	383
Warwick Valley Railroad.....	10	10	10	10
Total equivalent single track.....miles	945	1,073	1,162½	1,190

The equipment of the company's roads at the close of each fiscal year is shown in the following table :

	1862.	1863.	1864.	1865.
Locomotive engines and tenders.....	226	243	276	332
Cars—Passenger.....	101	109	114	133
“ Emigrant, baggage and caboose.....	164	201	247	264
“ Box freight, cattle, milk and oil.....	3,115	3,886	2,633	2,975
“ Flat freight.....				
“ Coal.....				
Total number of cars.....	3,880	4,006	4,714	5,468

The equipment of the Buffalo Division is not included in the returns for 1863. It consisted of 28 locomotives and 459 cars, and made the total equipment 271 locomotives and 4,415 cars.

In estimating the freight capacity of the road, it should be borne in mind that the freight cars, on account of its wide guage, are of greater capacity than those on narrow guage roads.

BUSINESS OF THE ROAD.

The following table shows the miles run by engines, etc.; and the movement of passengers and freight over the road since the commencement of operations by the existing company in Jan. 1862, covering the years 1862, '63, 64, and '65:

Miles run by engines, and cost of renewals and repairs—

	Miles run.	Cost.	Cost per mile.
1862.....	4,835,359	\$495,492	\$10 05
1863.....	5,858,687	597,099	9 77
1864.....	6,916,324	906,023	13 38
1865.....	6,839,028	1,428,397	20 88

Movement of passengers—

	1862.	1863.	1864.	1865.
Through—East	14,987	24,778	35,143	50,036
“ —West	82,450	53,612	59,949	105,023
Way—East	434,035	586,465	844,511	1,017,826
“ —West	427,061	570,051	846,003	1,012,222
Total passengers moved.....	908,533	1,236,506	1,785,606	2,175,116

Movement of freight—				
	1862.	1863.	1864.	1865.
Through—East.....	471,814	452,667	440,758	484,742
“ —West.....	149,896	169,920	164,118	205,612
Way—East.....	501,018	635,442	632,151	1,310,288
“ —West.....	553,006	616,605	677,258	584,149
Total tons moved.....	1,675,234	1,874,634	2,214,295	2,534,791
Gross earnings from passengers—				
	1862.	1863.	1864.	1865.
Through—East.....	\$115,961	\$209,436	\$315,112	\$478,127
“ —West.....	180,516	279,864	458,986	804,598
Way—East.....	482,361	642,963	1,057,202	1,295,539
“ —West.....	471,712	718,717	1,170,898	1,392,616
Total.....	1,200,450	1,850,984	3,002,198	4,031,680
Gross earnings from freight—				
	1862.	1863.	1864.	1865.
Through—East.....	\$3,639,765	\$3,853,073	\$4,742,533	\$4,615,592
“ —West.....	1,196,750	1,371,186	2,031,184	2,695,070
Way—East.....	1,462,863	2,322,774	2,832,567	3,036,025
“ —West.....	765,985	929,807	1,180,598	922,074
Total.....	7,065,363	8,476,810	10,242,897	11,268,761

The report is deficient in not giving the mileage of passengers and freight, and consequently it is not possible to deduce the rates at which the business of the road has been done. Nor are there any data given from which we can learn the rates of cost to the company. The reports for the last three years are especially incomplete in these respects.

REVENUE ACCOUNTS.

The following is a statement of the receipts and expenses of operating the road for the four years since re-organization :

	1862.	1863.	1864.	1865.
Passengers.....	\$1,200,450	\$1,850,984	\$3,002,198	\$4,031,680
Freight.....	7,065,363	8,476,810	10,242,897	11,268,761
Mail.....	101,652	101,052	101,352	101,852
Other sources.....	32,869	40,635	83,196	32,982
Gross earnings.....	8,400,334	10,469,481	13,429,643	15,434,775
Office and station exp'ses.....	\$671,905	\$915,587	\$1,224,907	\$1,210,490
Transportation.....	1,274,833	1,355,549	2,284,660	3,186,025
General expenses.....	126,419	153,315	331,543	280,051
Repairs of engines & cars.....	1,177,241	1,455,761	1,920,433	2,607,297
Repairs of track and road.....	1,248,610	1,475,426	2,414,835	2,376,698
Repairs of structures.....	190,273	161,319	420,611	450,606
Incidental.....	36,859	48,324	54,504	22,348
Miscellaneous.....	134,608	198,805	232,562	284,749
Total expenses.....	4,860,748	5,949,086	8,882,040	10,368,264
Net earnings.....	3,539,586	4,520,395	4,547,603	5,066,511
Disbursed as follows, viz.:				
Interest on mortgage debt.....	\$1,399,405	\$1,406,405	\$1,231,806	\$1,399,770
Rents of leased roads.....	138,400	133,400	182,400	182,400
Rent of Long Dock Property.....	144,040	143,552	135,163	165,690
Internal revenue taxes.....	27,617	113,505	333,812	561,250
Taxes on real estate.....	71,830	104,259	259,819	225,416
Hire of cars.....	.....	28,246	85,783	29,264
Pavonia Ferry.....	25,006	39,852	34,159	22,948
Loss by fire.....	91,736	10,000	.....	.....
Interest.....	.....	5,243	.....	49,329
Sinking Fund—Buffalo Br....	2,200	2,354	.....	.....
Buffalo, N. Y. & Erie R. R.: rents, repairs and expenses of operating.....	.....	322,780	372,484	582,242
Disbursements before dividends.....	1,908,235	2,309,096	2,635,427	3,218,311
Old debts paid.....	1,182,945	.....	.....	.....
Dividends July 1.....	.....	699,062	925,992	906,641
“ Jan. 1.....	426,785	761,040	906,632	283,579
Total disbursed.....	3,512,965	3,769,198	4,468,051	4,408,531

Surplus income, Dec. 31	26,621	751,197	79,552	657,299
Surplus income, Jan. 1 .....	.....	26,621	577,818	857,370
Total surplus income.....	26,621	777,818	857,370	1,515,359

From the surplus of Jan. 1, 1966, there was paid the usual dividend of 4 per cent on the common stock, amounting to \$656,004, which reduces the balance of surplus income to next account to \$859,346.

FINANCIAL CONDITION.

The financial condition of the company, as exhibited on the General Balance Sheet made up at the close of each of the last four years, is presented in the following statement:

	1862.	1863.	1864.	1865.
Stock—Common.....	\$11,437,500	\$11,569,500	\$16,400,000	\$16,570,100
do Preferred.....	8,535,700	8,535,700	8,535,700	8,535,700
Total stock.....	19,973,200	20,105,200	24,935,800	25,105,800
1st mortgage bonds, 1867.....	3,000,000	3,000,000	3,000,000	3,000,000
2d do do 1879.....	4,000,000	4,000,000	4,000,000	4,000,000
3d do do 1883.....	6,000,000	6,000,000	6,000,000	6,000,000
4th do do 1880.....	5,100,000	5,020,000	3,634,900	4,441,000
5th do do 1888.....	1,791,500	1,739,500	1,002,500	926,500
Buffalo branch bonds, 1889.....	200,000	200,000	186,400	186,400
Sterling bonds, 1875.....	.....	.....	.....	3,516,500
Real estate bonds.....	40,000	1,500	500	20
Total funded debt.....	20,131,500	19,961,000	17,823,400	22,870,920
Skg fund, Buff. Br'ch b'ds.....	2,200	4,554	.....	.....
Accounts payable.....	682,029	851,597	2,998,562	3,551,299
Int. accrued but not due.....	380,837	489,003	522,521	464,205
Div. declared but not paid.....	426,785	761,040	906,631	232,579
Balance of income account.....	26,621	777,818	857,370	1,515,359
Aggregate.....	\$41,623,172	\$42,950,214	\$48,045,284	\$53,291,263
Road and equipment.....	\$39,021,293	\$39,404,648	\$42,583,053	\$47,400,000
Hawley Branch.....	26,815	103,297	223,225	236,941
Cash and cash items.....	747,612	1,550,767	563,217	905,159
Long Dock Company.....	191,936	.....	634,475	215,539
Buff. N. Y. & Erie R. R. Co.....	.....	161,282	.....	.....
Buffalo, Bradford, & Pittsburg Railroad Co.....	.....	.....	76,792	40,350
U. S. War Department.....	.....	.....	467,736	502,576
Accounts receivable.....	482,890	486,860	675,569	617,300
Materials on hand.....	582,560	823,889	2,224,099	2,176,823
Fuel on hand.....	470,566	810,476	213,853	880,238
Niagara Bridge stock.....	.....	350	4,140	4,140
Unadjusted accounts.....	.....	106,645	162,100	303,120
Aggregate.....	\$41,623,172	\$42,950,214	\$48,045,284	\$53,291,263

The following table shows the amounts paid on account of construction in each year since the reorganization of the company in Jan., 1862:

	1862.	1863.	1864.	1865.	Total
Grading	\$465	\$164,065	\$261,016	\$201,608	\$397,154
Superstructure .....	.....	202,486	441,003	512,892	1,164,291
Land for road .....	.....	8,455	27,969	4,800	35,724
Machine and workshops.....	672	28,216	257,414	628,535	914,837
Machinery in shops.....	55,844	30,214	96,334	177,661	259,453
Depots .....	.....	31,998	73,539	152,294	257,831
Water stations.....	.....	916	12,601	18,513	32,029
Locomotives and tenders.....	56,681	188,511	601,640	1,571,244	2,417,176
Passenger and baggage cars.....	16,615	21,129	108,044	350,186	495,974
Freight cars.....	115,726	92,962	626,481	402,748	1,237,917
Coal cars.....	.....	106,590	348,243	367,141	822,974
Telegraph	2,175	2,977	6,120	1,055	12,327
Pavonia Ferry	55,665	15,387	.....	121,217	192,269
Long Dock improvements.....	.....	.....	.....	215,539	215,539
Hawley Branch.....	.....	103,297	129,997	3,622	236,917
Discount on 4th m. bonds .....	.....	.....	.....	46,615	46,615
Interest on do .....	.....	.....	.....	65,628	65,628
Total.....	\$3,3843	\$999,204	\$3,086,492	\$4,941,293	\$9,332,329

PROGRESS FOR SEVEN YEARS.

The following gives the length and cost of the railroads owned by the company, the miles operated, the gross earnings, expenses, and net earnings on account of operations and dividends, yearly, for the seven years ending December 31, 1865:

Calendar Years.	Miles owned	Cost of roads and opera- equipment. ted.	Gross earnings.	Operating expenses.	Nett earnings.	Dividends paid.
1859.....	497	\$36,420,907	543	\$4,577,090	\$2,944,507	\$1,632,523
1860.....	497	36,921,768	563	3,342,395	3,354,587	1,987,808
1861.....	497	38,019,711	563	6,214,182	3,784,484	2,429,698
1862.....	557	39,021,293	628	8,400,334	4,860,748	3,539,586
1863.....	557	39,404,648	729	14,469,481	5,949,086	4,520,395
1864.....	557	42,583,058	797	13,429,643	8,882,040	4,547,603
1865.....	557	47,409,404	797	15,434,775	10,368,264	5,066,511

PROPORTIONAL DEDUCTIONS.

Taking the next preceding table as a basis the following deductions are drawn showing the cost of the roads owned by the company per mile, the earnings, expenses and profits per mile expended, the ratio of expenses to earnings, the rate of profits to cost of road, and the rate of dividends paid;

Calendar Years.	Cost of road per mile.	—Per mile operated—			Expenses to earn- ings.	Profits to cost.	Rate of Div.
1859.....	\$73,299	Earn'gs.	Expenses.	Profits.	64.33	4.48	7 1/2
1860.....	74,289	9,491	5,958	3,533	62.79	5.88	"
1861.....	76,299	11,039	6,722	3,317	60.89	6.39	"
1862.....	70,056	13,376	7,740	5,636	57.86	9.07	"
1863.....	70,744	14,363	8,161	6,202	56.82	11.49	8 1/2
1864.....	76,451	16,850	11,144	5,706	16.13	10.69	8
1865.....	85.115	19,336	13,009	6,327	67.28	10.68	8

The above dividend is on the common stock; the rate on the preferred stock was 5 per cent in 1862, and after that year 7 per cent per annum.

The profits would be materially reduced (say a third) by subtracting from them the rents of leased roads, taxes, &c., which are payable before interest and dividends on the proper capital of the company.

PRICE OF STOCKS AT NEW YORK.

The tables which follow show the range of prices paid for the stock of the company monthly and for the years 1862-64, both inclusive:

COMMON STOCK.

	1862.	1863.	1864.	1865.
January.....	81 1/2 @ 36 1/2	66 @ 85 1/2	106 1/2 @ 113	66 1/2 @ 86 1/2
February.....	83 @ 35 1/2	70 @ 80 1/2	107 @ 124 1/2	68 1/2 @ 78
March.....	84 1/2 @ 33	74 1/2 @ 80 1/2	113 @ 126 1/2	44 1/2 @ 73 1/2
April.....	86 1/2 @ 37 1/2	76 @ 84 1/2	107 @ 126	50 1/2 @ 85
May.....	85 1/2 @ 40 1/2	84 1/2 @ 105	107 @ 117 1/2	69 1/2 @ 84 1/2
June.....	85 1/2 @ 39 1/2	90 1/2 @ 98	110 1/2 @ 118	70 1/2 @ 79 1/2
July.....	83 @ 37	92 1/2 @ 103 1/2	108 1/2 @ 116	77 1/2 @ 98 1/2
August.....	83 1/2 @ 39 1/2	103 @ 122	108 1/2 @ 113 1/2	76 1/2 @ 91 1/2
September.....	86 1/2 @ 49 1/2	101 @ 118 1/2	93 @ 101	86 1/2 @ 91 1/2
October.....	49 @ 65 1/2	106 1/2 @ 110 1/2	84 @ 98	85 1/2 @ 93 1/2
November.....	59 @ 64 1/2	99 1/2 @ 110 1/2	93 1/2 @ 104 1/2	90 1/2 @ 97
December.....	60 @ 63 1/2	104 1/2 @ 109	82 @ 96 1/2	91 1/2 @ 97
Year.....	81 1/2 @ 65 1/2	66 @ 122	82 @ 126 1/2	44 1/2 @ 98 1/2

PREFERRED STOCK.

	1862.	1863.	1864.	1865.
January.....	52 1/2 @ 58 1/2	97 @ 108	100 1/2 @ 104 1/2	90 @ 101
February.....	54 1/2 @ 59 1/2	99 @ 106 1/2	101 @ 109	90 @ 93
March.....	58 1/2 @ 62 1/2	93 1/2 @ 101 1/2	105 1/2 @ 115 1/2	70 @ 90
April.....	60 1/2 @ 62 1/2	96 @ 102 1/2	105 1/2 @ 116	77 @ 92
May.....	62 1/2 @ 67 1/2	101 1/2 @ 111	106 @ 109	82 @ 90
June.....	63 1/2 @ 67 1/2	100 1/2 @ 106 1/2	108 1/2 @ 113	81 1/2 @ 85

July	60 @64	100½@105½	107 @115½	85 @8½
August.....	62½@69½	102½@111½	103½@112½	80 @8½
September.....	67½@83	102 @108½	101 @109	82 @8½
October.....	80 @93	104 @105½	100 @104	82 @8½
November.....	87 @92	99½@105	100 @106½	82 @8½
December.....	90½@97	10½@108½	99½@105	84½@109½
Year.....	52½@97	93 @111½	99½@116	70 @109½

In the number for March, 1866, will be found a history of the Erie Company, to which the reader is referred for further information.

CENTRAL RAILROAD OF NEW JERSEY.

The Central Railroad of New Jersey, one of the great through roads across that State, may be characterized at the close of each year as follows :

	1859.	1860.	1861.	1862.	'63.	'64.	'65.
Main Line—Phillipsburg to Elizabethport.....miles	64	64	64	64	64	64	64
Extension—Elizabeth City to Jersey City .....	..	..	..	..	..	10	10
Total length of route	64	64	64	64	64	74	74
Second track.....	49	49	49	56	64	74	74
Sideings (including equivalent third track).....	56	61	64	68	69	71	77
Total equivalent single track.....	169	174	177	188	197	219	223

Originally this was almost entirely a local road, and dependent on the New Jersey Railroad for an entrance into Jersey City. The construction of an extension in 1863-4 made it independent in this respect, and the opening of new roads in Pennsylvania has given it an outlet to the West. It has thus become a favorite route for passengers to and from the interior. The construction of the South Branch from Somerville to Flemington, gives it a more Southern terminus through Lambertville and Trenton to Philadelphia, and it is possible that a better route to that city may be furnished by the construction of a short line between Lambertville and Doylestown, the terminus of a branch of the North Pennsylvania Railroad. The improvements already completed have more than doubled its general traffic in the past three or four years. But the great value of the road lies in its coal-carrying business, commenced ten years ago, and now aggregating a million tons a year. The mineral is brought both from the Lehigh and Lackawanna regions, that from the former being shipped at Phillipsburg, and that from the latter comes to the road at Hampton, the point of junction of the Warren Railroad, an extension into New Jersey of the Delaware, Lackawanna and Western Railroad. The depot of this trade is at Elizabethport, whence the coal is shipped to New York and other markets. The last named is a wide-gauge road, and to accommodate its cars the Central Company have laid down a third rail on both its tracks from Hampton to Elizabethport. The accommodations for the trade at Elizabethport are very efficient, and the works there have cost large sums. Indeed, it may here be stated, that the road itself has scarcely cost one half the aggregate expenditures of the company. The wharves and works at Elizabethport, Port Johnston, and Commack, and the ferry interests, lands, and miscellaneous properties make up the other moiety of the general cost. To understand the grand progress of the works connected with this road, it is only necessary to state, that at the inauguration of the coal trade in 1856, the capital (shares and bonds) of the company was only \$4,500,000; it is now more than \$12,000,000, and probably three million more will be required to complete the immediate projects now being carried out by the company. In one year—the last of record—the cost of the company's property rose from \$114,865 to \$164,746 per mile of road, and yet so liberal were the nett earnings, that the usual dividend

0 per cent was paid on the increased capital. The accounts which follow show the progress of the capital, business, and general interests of the company, yearly, for the seven years ending December 31, 1865.

The rolling stock—engines and cars—owned by the company at the close of each year, is shown in the following statement :

Fiscal years.	Loco- motives.	—Equivalent in 8-wheel cars.—				No. of cars.
		Pass.	Bag., &c.	Freights.	Coal.	
1859.....	32	21	7	196	...	26
1860.....	38	21	7	196	...	26
1861.....	39	21	8	219	...	29
1862.....	38	20	7	246	200	29
1863.....	51	22	7	307	200	30
1864.....	59	34	11	313	360	71
1865.....	65	52	17	368	461	71

The reports give no detailed statement of the ferry property, boats, &c. The works both at Jersey City and New York are still incomplete.

ROAD AND FERRY SERVICE.

The following statements exhibits the milenge of trains and ferry-boats, the number and mileage of passengers, and the tons and mileage of merchandise, coal and iron yearly.

Mileage of engines hauling trains and of ferry-boats:

Fiscal years.	—Miles runs by Transportation				Work- ing trains.	Total miles of engines.	New Jersey R.R.*	Miles run by ferry boats.
	Pass'ger.	Merch'se.	Coal.	Total.				
1859.....	141,918	110,827	276,490	529,235	25,637	554,872	.....	42,528
1860.....	152,518	138,763	376,476	662,757	33,010	695,767	40,152	38,187
1861.....	181,446	144,055	317,573	643,074	19,219	662,393	45,890	36,838
1862.....	201,833	146,136	309,363	657,332	29,872	687,204	53,584	47,656
1863.....	214,483	167,159	383,451	765,093	26,947	812,041	59,164	38,528
1864.....	290,641	177,688	415,740	824,069	63,949	948,218	.....	39,047
1865.....	431,334	230,361	393,693	1,055,388	132,590	1,187,978	.....	47,072

Number of passengers and tons of freight carried, and the mileage thereof:

Fiscal years.	—Passengers—		—Merchan'se—		—Iron—		—Coal—	
	Number.	Mil'ge.	Tons.	Mil'ge.	Tons.	Mil'ge.	Tons.	Mil'ge.
1859.....	405,939	8,061	145,357	6,211	43,061	2,756	638,958	32,998
1860.....	429,263	9,433	151,378	6,908	55,355	3,525	854,769	46,616
1861.....	401,634	10,602	162,382	8,196	56,690	3,619	823,214	42,907
1862.....	419,803	11,760	196,985	11,168	70,202	4,487	816,570	43,448
1863.....	529,017	13,182	263,625	13,540	80,853	5,172	1,049,881	56,795
1864.....	698,878	19,397	272,266	14,611	69,225	4,430	1,149,964	62,372
1865.....	928,806	23,532	317,181	17,333	75,469	4,830	1,004,506	55,633

The merchandise is expressed in tons of 2,000, and the iron and coal in tons of 2,240 lbs. The mileage is stated in thousands (1,000's) of miles

The coal tonnage of the road yearly, since the transportation of coal was commenced, has been as follows:

Year.	Lacka- wanna.	Lehigh.	Total.	Year.	Lacka- wanna.	Lehigh.	Total.
1856.....	98,670	83,325	131,995	1861.....	518,819	254,345	823,214
1857.....	204,950	84,841	294,791	1862.....	502,375	314,195	816,570
1858.....	417,776	122,923	540,699	1863.....	613,954	435,927	1,049,881
1859.....	455,681	183,277	638,958	1864.....	675,743	474,221	1,149,964
1860.....	590,663	263,906	854,769	1865.....	494,687	509,819	1,004,506
Total since commencement of business, 10 years.....				.....	4,623,518	2,676,779	7,305,297

* Mileage of passenger trains run on New Jersey Railroad between Jersey City and Elizabeth drawn by engines of that company. Since 1863 these trains have passed over the new extension of the company's railroad.

TRANSPORTATION ACCOUNT—EARNINGS, EXPENSES, &C.

The following is a statement of the receipts and expenses yearly for the same seven years :

Fiscal years.	Gross earnings.					Operating expenses.	Net earnings.
	Passenger.	Freight.	Coal.	Mail, &c.	Total.		
1859.....	\$187,227	\$396,635	\$432,422	\$15,418	\$971,702	\$385,716	\$585,986
1860.....	206,281	362,482	597,324	19,761	1,185,848	473,457	712,391
1861.....	222,090	382,599	568,276	28,990	1,201,895	522,452	679,443
1862.....	230,905	481,977	661,281	24,024	1,397,587	623,245	774,342
1863.....	287,959	605,335	1,021,152	27,530	1,941,976	814,732	1,127,244
1864.....	488,224	731,722	1,317,954	39,284	2,537,184	1,231,554	1,305,630
1865.....	688,774	893,287	1,388,493	60,836	3,031,390	1,748,438	1,282,952

Against net earnings are charged, as follows :

Fiscal years.	Taxes		Interest paid.	Deprec'tion, renewals, &c.	Dividends on stock.	Surplus income.
	State.	U. S.				
1859.....	\$23,740	\$.....	\$250,325	\$91,680	\$230,900	\$.....
1860.....	24,502	.....	192,037	40,218	361,480	5,173
1861.....	24,517	.....	139,296	71,949	363,000	50,571
1862.....	24,523	8,263	142,512	175,723	363,000	60,221
1863.....	24,576	21,731	147,712	186,568	401,578	345,073
1864.....	26,417	49,602	155,184	.....	569,573	504,274
1865.....	31,219	90,441	170,839	134,156	861,676	.....

An extra dividend of 10 per cent, amounting to \$515,000, was paid for 1863 from the surplus income, the balance of which at the end of that year was \$578,255. By this operation the balance was reduced to \$63,255. The surplus of 1864, \$504,274, made the total to credit at the end of that year \$568,159, at which it still remains, the net earnings for 1865 having been entirely consumed. The surplus income appears in the ledger under the title of "renewal fund," but this includes \$60,000 transferred to it in 1863 being the amount of premium on sale of new stock.

GENERAL ACCOUNT—BALANCE SHEET.

The financial condition of the Company as shown in the Yearly Balance Sheet is exhibited in the following statement :

Close of year.	Paid up capital.	Funded debt.	Acc'ts payable.	Accr'd to date—divid's interest.	Renew'd fund.	Total amount.
1859.....	\$2,319,000	\$3,235,000	\$37,761	\$60,900	\$.....	\$5,652,661
1860.....	3,630,000	2,000,000	35,335	90,750	92,174	5,848,159
1861.....	3,630,000	2,000,000	29,053	90,750	172,855	5,922,658
1862.....	3,630,000	2,000,000	320,434	90,750	233,176	6,274,360
1863.....	4,620,000	2,000,000	292,277	110,355	638,255	7,781,887
1864.....	6,500,000	2,000,000	429,379	159,118	628,159	9,716,656
1865.....	10,685,940	1,509,000	543,665	261,721	628,159	13,637,485

Against which are charged as follows, viz.:

Close of year.	Railroad account.	Stations, wh'ves, &c.	Engines & cars.	Ferry int. & boats, &c.	Lands, docks, & mixed prop'ty.	Cash and Mat'ls on hand.
1859.....	\$4,480,897	\$419,517	\$42,700	\$246,450	\$35,044	\$87,773
1860.....	4,480,897	422,514	489,500	246,650	5,044	101,528
1861.....	4,480,897	423,771	504,500	252,650	97,258	76,500
1862.....	4,480,897	434,355	606,542	217,050	375,511	72,552
1863.....	4,844,874	438,476	773,000	307,150	520,967	99,834
1864.....	5,519,011	724,916	1,078,588	554,343	1,405,635	127,649
1865.....	6,106,957	1,292,722	1,233,772	604,587	3,845,523	121,674

Under the caption of "Stations, Wharves, &c.," are included the following, viz: station-houses, shops and water-stations; lands and works at Elizabethport; Port Johnston coal wharves, and the Communipaw filling and bulkheads, the cost of which in 1864 is stated at \$218,736; \$801,856; \$187,011 and 585,119 respectively.

PROPORTIONAL DEDUCTIONS.

The following, deduced from the above, exhibits the amount of capital (stock and bonds) expended per mile of road, the earnings, expenses and profits per mile, the

proportion of expenses to earnings and of profits to capital, and the rate per cent of dividends on stock, yearly, for the seven last years :

Fiscal year.	Capital per mile.	Amount per mile.			Exp. to earnings.	Profits to capital.	Divid'd p. c.
		Earni'gs.	Expens's.	Profits.			
1859.....	\$88,234	\$15,183	\$6,027	\$9,156	33.07	10.38	10
1860.....	87,970	18,530	7,429	11,101	40.16	12.62	10
1861.....	87,970	18,779	8,163	10,616	43.42	12.07	10
1862.....	87,970	21,837	9,739	12,099	44.67	13.75	10
1863.....	103,437	30,343	12,730	17,613	41.95	17.03	10&10ext
1864.....	114,865	34,286	16,642	17,644	4.51	15.35	10
1865.....	164,796	41,032	23,627	17,405	57.62	10.56	10

PRICE OF STOCK AT NEW YORK.

The following statement exhibits the monthly range of price at which the company's stock sold at New York :

Months.	1860.	1861.	1862.	1863.	1864.	1865.
January.....	98 @100	107½@110	114@119	...@...	...@...	...@...
February.....	99 @103½	110 @115	120@122	170@170	...@...	...@...
March.....	103½@105	115 @116	...@...	175@175	175 @175	...@...
April.....	105 @112	110 @115	...@...	...@...	...@...	...@...
May.....	112 @115	105 @106½	...@...	...@...	...@...	...@...
June.....	116 @120	108 @112	...@...	...@...	...@...	...@...
July.....	116 @116	110 @112	130@130	...@...	...@...	...@...
August.....	113 @113	...@...	...@...	165@165	...@...	120 @124
Septemb'r.....	116 @117	110 @112	...@...	...@...	...@...	122 @125
October.....	115 @115	113 @112	150@150	...@...	...@...	122 @128½
November.....	100 @114	113 @114	150@150½	...@...	...@...	120 @122½
December.....	105 @110	...@...	155@155	...@...	...@...	118 @122
Year.....	98 @120	105 @116	114@155	165@175	...@...	...@...

The origin of the Central Railroad was extremely humble, but by consolidation and extension it has become one of the best properties in the Union. The Elizabeth and Somerville Railroad (25 miles) was chartered in 1831 and completed in 1839. The Somerville & Easton Railroad was chartered in 1847, and subsequently (in 1849) was authorized to purchase the first named road and change its title to that of the Central Railroad of New Jersey. Under the original charter nine and a half miles of road from Somerville to Whitehouse had already been constructed. In July, 1850, these two Companies were consolidated, and in September the construction of the remaining portion of the chartered route commenced. This was completed and the road opened to Phillipsburg on the Delaware July 2, 1852. The cost of the road to this date had been about \$3,000,000 and to the end of the years 1854-5 the cost had risen only to \$3,750,000.

The completion of the roads leading from the Lehigh & Lackawanna Coal regions gave a new impetus to the interests of the Central Company, and led to the formation of the Central Railroad which the Central Railroad become the channel of their trade to New York. This was in 1855 ; and for the accommodation of this business suitable and extensive improvements were made. From Hampton where the Lackawanna road comes in to Elizabethport a third rail was laid down for the accommodation of the wide cars of that line and a large coal depot formed at Elizabethport. A second track (also with a third rail) was subsequently laid down, and eventually the second track was extended from Hampton to Phillipsburg for the better accommodation of the Lehigh Coal trade.

Until 1864 the passenger business of the Central Company between Elizabeth and Jersey City was carried over the New Jersey Railroad for which privilege the Central Company had to pay fifteen cents per passenger. The freight business with New York was conducted by ferry boats between Elizabethport and that city. Under this high charge and these circumstances the development of business could at best be a slow process. To remedy this drawback the Company determined on construct-

ing an extension of their own road to Jersey City which was commenced in 1843 and completed in August 1864. This extension crosses Newark Bay and has been a very extensive undertaking. It also involved the establishment of an independent ferry to New York, &c. The Company are still proceeding with these and other improvements which when completed will have cost altogether about \$15,000,000.

Notwithstanding the difficulties with which the Central Company have had to contend, and which are yet scarcely overcome, they have never, except in a single year failed to pay dividends. This exception was the year 1854-5 when the net earnings were devoted to construction. In 1852-3 they paid 5 per cent, in 1853-4 and 1855-6 7 per cent, and in 1856-7, $8\frac{1}{2}$ per cent. Since this period regular 10 per cent dividends have been paid, and in 1868 an extra dividend of 10 per cent. Under these circumstances the stock of the Company has been a great favorite with investors and has always sold high in the market. Very little, however, is offered the great bulk being held for permanent investment.

NATIONAL AID TO AMERICAN STEAMSHIPS.

A memorial has been presented to Congress, we are informed, from the Commercial Navigation Company of the State of New York asking for the passage of a law authorizing the Postmaster General to arrange and contract with them for the weekly conveyance of the foreign and European mails of the United States between New York and Liverpool for a term not exceeding twelve years. The proposition submitted by the Company is to establish a line consisting of seven sea-going steamships, two of them of two thousand and five of three thousand tons, all to be constructed in the best manner with all known modern improvements in model, machinery and outfit, so as to secure the greatest possible speed and safety. The purpose is said to be to secure a speed of from twelve to fourteen marine miles an hour, with a draught of water which shall not exceed sixteen feet when loaded; and in the plan of construction, to have their decks, one extending the entire length of the vessel, giving passengers every proper comfort and convenience. These steamships when constructed will constitute a United States Mail Steamship Line for the conveyance of the mails; the times of sailing and other details to be arranged between the Company and the Postmaster General.

The compensation proposed for carrying the mails is the postage. It will be remembered that a contract with a steamship company running vessels between this country and Brazil, gives that company those terms. The Commercial Navigation Company, however, ask beyond this in view of the expenditure of about eight millions dollars, required for building, equipping and operating such a line of steamships, that the Postmaster General shall be authorized to guarantee the payment of their bonds to the amount of some \$3,000,000. In order, however, to assure the Government against loss in this transaction, the company are to give to the United States a first lien upon the steamships, their tackle, apparel, machinery and furniture, which will be, it is shown by the exhibits of the company, worth full double the amount of the obligations so assumed; also, that the Postmaster-General shall receive all the moneys paid for postage on the mails so carried, applying it to pay the interest on the bonds, and retaining the excess for the liquidation of the principal till the

whole indebtedness shall have been met. The bonds so guaranteed shall be issued in such amounts and at such times during the construction of the steamships as the Postmaster-General shall determine; and shall be made payable at the expiration of twelve years, bearing interest at five per cent, gold, to be paid semi-annually. The company propose also, for additional security against loss on the part of the Government, to cause each of their steamships to be insured against the dangers of the seas in amounts equivalent to the amounts of the bonds so guaranteed and owing, by marine insurance companies in good standing; the policies to be made payable on the order of the Postmaster General. The diplomatic agents of the United States are to be received and carried as passengers on their ships free of expense to the Government, at such times and periods as shall be required of the Secretary of State. The Navy Department, in the event of war, may take the vessels and use them as transports or ships of war for an equitable sum, or may purchase them, as the Secretary of the Navy shall deem proper, for the public service.

The estimate upon which this proposal is based places the average annual amount to be received for postage at \$450,000; which would be more than ample to liquidate the interest and principal of the bonds so endorsed. By reference to the report of Postmaster General Dennison, for the fiscal year ending on the 30th of June, 1865, it will be seen that the amount paid to foreign steamship lines for postage on mail matter to Europe, was \$405,479; the total amount for the three years ending with that date being \$1,109,403. The company suppose that, with the return of peace, postal communication will be increased somewhat above these amounts, which is more than probable.

This proposition brings up again the whole question of the policy of granting governmental aid for these private enterprises. There is no need of defining the subject; it has been too often discussed for any one not to understand the arguments. The legitimate province of government, abstractly considered, is the administration of justice. The establishment of industrial pursuits and analogous legislation are hardly to be included in its purposes. It is to be presumed that the citizen will employ his talents and energies in the vocation that will be most lucrative, without asking for legislation to make it so. But the exigencies of the business world have often complicated these matters. The pursuits of commerce become essential in the way of making other departments of industry remunerative. Acting under this view, the British Government has given large subsidies to steamship lines running to America, the West Indies, and Australia. Mr. Cunard, when he projected his line of steamers, demonstrated that the magnitude of the capital which it must involve, and the vast expenditure attaching its maintenance, were such as not to be covered by any commercial returns to be expected from it; and that, consequently, it could only be sustained by a liberal subsidy. The government stipulated to grant him £60,000 a year, and he began his enterprise; but finding this amount insufficient, he obtained its increase to £100,000. This did not meet the exigency, and it was raised to £145,000 a year—which Doctor Lardner calculated to amount to ten shillings and eight pence a mile. The West India Steam Packet was afterward established, and received a still greater subvention, £240,000 per year. Recently, these subsidies have been discontinued, as was

obviously proper, the profits of the lines having become ample to remunerate the companies for the capital invested. England has received her compensation in the volume of the commerce obtained through the running of popular steamship lines.

In the United States there has been a strong feeling against this policy of subventions. The experiment of the Collins steamship lines has seemed to deepen rather than alleviate this prejudice. Nevertheless, aid has been granted to two Pacific Railroad Companies, and large grants of public lands have been made to the new States for railroad purposes. Every argument that can be employed in defence of these measures would seem to apply with equal force to the bestowment of governmental aid upon steamship lines. They increase the volume of commerce and direct it to our own ports, thus making industry remunerative and so developing the resources of the country. The example already set of granting to the line running between this city and Rio de Janeiro the amounts received for postage, affords a precedent. Whether it is sound policy after making a like contract with the Commercial Navigation Company, to take a further step and guarantee their bonds, may be somewhat questionable. It would seem at first blush that a company having a mail contract of twelve years would be able on its own security to obtain all the money required. There are, nevertheless, other facts to be taken into consideration. The capital of the country has been depleted by the recent civil war, and there is but a small amount comparatively now seeking investment. If it is ever proper for a government to step aside from its legitimate province to grant aid to private enterprise, it is at such periods. The Legislature of the State of New York, just after the Revolution, created a fund to be lent to citizens to enable them to carry on business; it has also made grants to railroad and other companies. Other governments have, under the pressure of similar emergencies, taken measures to aid men of enterprise. When we consider what Great Britain has done to promote steam navigation of the ocean, and the advantages which were thus secured for her merchants and manufacturers, it will go far to obviate whatever prejudice we may entertain about subventions. It is for our interest to keep up commercial intercourse with the ports on the Mediterranean and the countries lying on the Indian and Pacific Oceans. To effect this, it will be necessary to bring them into frequent communication with the United States. If the patronage of our Government can be prudently and judiciously employed to that end, it would, therefore, seem to be advisable to bestow it, either by subsidy or by liberal contracts. Upon the direct question of assuring, or rather guaranteeing private obligations, we are not so clear. It looks too much like a mixing up of public with private matters, and in such cases, in times past, the public interest was but too often liable to be a loser. But we would not be too nice and fastidious when an ulterior advantage is likely to ensue counterbalancing the risk of loss. It is now the time, if ever, when the Government should be generous to private enterprise, particularly when such an opportunity is likely to be afforded to initiate an era of commercial prosperity for the country. We trust, therefore, that Congress will weigh carefully the entire question, and determine wisely as to the course which shall be pursued.

THE PAST AND FUTURE COTTON SUPPLY.

Those who estimated the supply of cotton in the South at the close of the war at about two and a half millions of bales, appear likely to witness the fulfilment of their predictions. From the close of hostilities up to the present time, the receipts at all the ports aggregate about 2,300,000 bales, and it is probable that about 125,000 bales more remain still in the interior. Until a late date, the stock not yet brought forward was estimated at about double this amount. The large falling off in the receipts within the last three weeks has, however, modified this opinion; and now there are but few estimates exceeding the figures we have stated. The largely diminished arrivals at the ports have produced a very general belief that we are verging closely upon the last of the old crop. For the purpose of showing the extent of reduction in the arrivals, we present the following comparison of the receipts at all the ports at the latest mail dates reported at New York, for the last three weeks, and for the three weeks ending May 4 :

For week ending April 20.....	Bales. 40,000	For week ending May 18.....	Bales. 30,000
" " " 27.....	35,000	" " " 25.....	19,000
" " May 4.....	33,000	" " June 1.....	17,000
Total.....	112,000	Total.....	66,000
	66,000		
Decrease.....	46,000		

We have then a decrease of 46,000 bales in the last three weeks, compared with the aggregate for the three weeks ending May 4. This decided contraction in the receipts is so sudden as to give plausibility to the suggestion that cotton has been kept back from some motive; and it is readily supposed that the symptoms unfavorable to the prospects of the growing crop, which have been developed during the last month, may, with the present low prices, have supplied such a motive. Still we do not think it probable, since all the information we have from the interior clearly indicates an exhaustion of the supply, if we except the stocks at Memphis, Augusta, etc. As we are then approaching the close in the receipts of the old crop, it may be interesting to compare the movements of the staple at the principal ports. The following statement shows the receipts and exports since Sept. 1, 1865, and the stocks at the latest dates :

RECEIPTS AND EXPORTS OF COTTON (BALES) SINCE SEPT. 1, AND STOCKS AT DATES MENTIONED

PORTS.	RECEIVED SINCE SEPT. 1.	EXPORTED SINCE SEPT. 1 TO—				SHIPMENTS TO NORTH'N PORTS.	STOCK.
		Great Britain.	France	Other for'gn.	Total.		
N. Orleans, May 25... ..	640,903	312,987	119,860	19,863	452,210	191,625	147,496
Mobile, May 25.....	306,754	213,717	37,318	1,579	252,614	96,091	42,407
Charleston, May 25.....	96,648	85,284	5,959	578	41,821	42,571	9,610
Savannah, May 25.....	226,865	84,000	1,492	....	85,552	131,405	16,662
Texas, May 19.....	160,895	56,167	1,739	3,214	61,120	61,966	8,357
New York, June 1*.....	130,366	379,617	35,090	40,680	455,387	....	149,000
Florida, April 21.....	136,752	31,772	....	....	31,772	112,488	6,742
N. Carolina, June 1.....	60,442	21	....	....	21	60,442	....
Virginia, June 1.....	30,741	....	....	....	....	30,741	....
Other ports, May 29.....	....	18,049	....	290	18,339	....	....
Total.....	1,878,866	1,131,674	200,358	66,204	1,398,236	723,264	380,260

* By Railroad, Canal and River.

The total receipts since September 1st thus appear to amount to about 1,878,866 bales. During the same period we have exported to foreign countries 1,398,836 bales, or within 480,000 bales of the whole receipts. Of the total shipments 1,131,674 bales have gone to Great Britain, and 200,958 bales to France. Great Britain has taken 60 per cent of the whole receipts, and France about 10 per cent. For the first time in the history of the cotton trade, New York has proved to be the chief cotton port, the exports from this port having been 455,387 bales, from New Orleans 452,210 bales, and from Mobile 252,614 bales.

The present stock of cotton at all the ports aggregates about 400,000 bales; so that, supposing there should be 125,000 bales still in the interior, we have a total supply for the remaining three months of about 525,000 bales. Our own spinners may be supposed to require, say 15,000 bales per week, or at the utmost not over 200,000 bales of this amount; and the question of chief interest is, How far will the balance, after allowing for moderate stock at the close of the year, suffer for the want of foreign spinners? The condition of the British market is deserving of special notice. On the 10th of May the combined stocks of London and New York amounted to 928,422 bales—in addition there was afloat for those ports 135,000 bales of American and 711,000 bales of Indian—making a total supply of 1,775,080 bales. Now, deducting from this amount say half a million bales as the ordinary stock at the close of the cotton year, there would remain for consumption and export 85,000 bales per week until the 1st September, or nearly 40,000 bales per week in excess of the average sales for consumption and export at Liverpool since January 1st. It appears, therefore, that the Liverpool market is being so heavily crowded with cotton, it can be of no serious consequence to the British cotton trade that our supplies are being rapidly exhausted, unless they need a larger proportion of the long staple cotton than they are receiving. Without assuming any immense receipts at Liverpool from the present time to the close of the cotton year, it would seem quite probable that, on the 1st September, the stock at that port will not stand below the extraordinary figure of 1,000,000 bales.

Should this prove to be the case, the trade will have an important offset against any disappointment in the crop that may occur here. Present indications are not at all flattering to the hopes of a three-fourths crop lately cherished. The fears of a lack of vitality in the old seed which planters were compelled to use have been realized, the plant having withered to such an extent that large tracts of land have to be replanted. The tax of five cents upon cotton and the panicky condition of affairs at Liverpool have induced some of the growers to plant corn instead of cotton upon lands where the seed has thus failed. In some districts the neglected condition of the lands has caused such a growth of weeds as has seriously injured the progress of the cotton plant. Storms and frosts, too, have done fully their average amount of damage to the crop. The crevasse on the Mississippi has caused the flooding of a very important cotton country; and there seems to be little hope that the waters will subside early enough to admit of the crop there being replanted with any prospect of its ripening in due time.

These facts are certainly discouraging, and do not favor the late estimates of two and a half to three millions of bales. There are, how-

ever, so many contingencies of weather, worm and labor, that it would be useless to attempt any definite estimate as to the total amount likely to be realized out of the growing crop. Time alone can furnish the solution of this question, upon which the value of such an immense amount of property depends.

COMMERCIAL CHRONICLE AND REVIEW.

Stagnation in Business—Panics—Derangement of Money Market—Return of Five-twenties from Europe—Rates of discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Course of Gold for month—Treasure movement—Exchange, &c.

The threatened war, the London panic, with the continued decline in cotton, and the consequent drain of about twenty five millions of gold, resulting in a rise of from 125½ to 140½, and unsettling all values, have been the prominent influences operating on the market during the month, producing general stagnation in business circles. With the rise in gold holders have become more firm, and in some cases put up prices, and checked even the little animation exhibited before. Among all classes, however, a feeling of great incertitude prevails in regard to the future, and the panic at London has seemed to increase rather than diminish it. With a certain class of financial men it has long been a prevailing theory that as a panic has usually invaded this country and England once in ten years, so in 1867 we ought, in the ordinary course of things, to look for a repetition of the disasters of 1857, 1847, and former decadic periods. It has also been suggested, that as we have now a deranged and depreciated paper currency, which has a constant tendency to produce a treacherous and inflated state of credit, the coming of the financial storm may probably be accelerated, and its force may strike us before the completion of the tenth year. Such suggestions from sagacious, far seeing men, have their uses ; and with an intelligent people are productive of the most salutary general caution. Had not the worst abuses of which our expanded credit system is capable been continually kept in check, we might long ago have had enacted among us scenes in comparison with which the memorable events of 1857 would have seemed almost insignificant. A financial panic now would be much more serious in its consequences, more wide in its sweep, and more resistless in its course, than any similar previous convulsion recorded in our history ; for at present our financial edifice is composed of and surrounded by combustible materials, so that a conflagration, should it break out, would be less under control. It is, therefore, of no small importance that we should be advised to be on our guard, to adopt every known precaution, to use every preventive in our power.

The recent panic in London adds another to the list of our warnings. In England the credit system has long had a tendency to expand beyond all safe limits, and the overstrained machinery has at last broken down. Had the other banking and finance companies been generally in a sound condition, the failure of a great house like that of Overend, Gurney & Co., could scarcely have failed to cause much commotion. But, as has happened here on the suspension of a lead-

ing banking firm, the commotion usually subsides without the wave of trouble being able to reach more than a very limited circle. The sufferers mostly obtain speedy and easy accommodation elsewhere ; for, partly from sympathy, and more from policy, other banking houses are led to do all they can to prevent the panic from spreading or becoming general. Hence, in a short time the great wheels of the financial machine revolve as before. Now, every one who has intelligently watched the monetary movements of the last five years, can point out half-a-dozen occasions or more when the symptoms of approaching panic were appalling, but the glowing embers were extinguished before they could spread and rise into a conflagration.

What, then, shall we infer from this state of the facts? First, it is evident that a financial revulsion, if appropriate timely means be used, may be prevented. "A panic which everybody expects," says the proverb, "never comes." It was partly because of their fancied immunity from danger, that the recent disasters in England were so fatal ; and it is because of our acknowledged exposure to financial troubles, that we have enjoyed such freedom from their most formidable consequences. For the mariner who carries too much sail, and too little ballast, is most in danger from the sudden squall. Let our richly freighted barque be more cautious beforehand, and it may safely ride out the storm, come when and with whatever violence it may. Moreover, as we have heretofore avoided the long prognosticated panics, so we shall perhaps continue exempt, if we only persist in making use of the same means as we have found effectual hitherto. A financial crisis is not like an earthquake or a volcanic eruption, or a malignant epidemic, produced by causes that are unknown or beyond our reach. It rather resembles an incendiary fire, the materials being heaped up by ourselves beforehand, on which, but for our own misdoing, the sparks, though cast by a careless, or ignorant, or malicious hand, would fail to do much harm. We must, however, be well assured that during the next year or two, nothing but the most firm circumspect and judicious care will preserve us from panics and revulsions of a most disastrous character.

The great lesson which the late English monetary crisis teaches us is the danger of over speculation. Bankers and finance companies, by offering high rates of interest, attracted heavy deposits. The money thus obtained they engaged to pay back to the owners on demand. Regardless of the danger that it might suddenly be demanded, they lent it out at very high rates for one year, two years, or even a longer time. Now, there are not a few of our own bankers, who, like Overend, Gurney & Co., and others, forget that high rates for money mean large risks, and should either be protected by adequate reserves, or preferably refused altogether.

From the statements of the London journals it appears that in this matter of reserves the most infatuated negligence seems to have prevailed among the finance companies and private banking houses of England. All those which have succumbed are reported to have invested their whole, or nearly their whole available means, trusting to the reserves of the Bank of England to help them out if any difficulty should occur. A more perilous course it is difficult to conceive. The reserve of ready money held by the Bank of England, according to

this method of banking, would be relied on as a basis not only for its proper and known liabilities, but for the vast unknown mass of floating obligations incurred by a multitude of independent and uncontrolled institutions, who are making the greater gain by working without adequate reserves of their own providing. In the conflicting mass of testimony on the subject, it is not easy to find out to how great an extent this vicious and dangerous practice has obtained; but it well deserves, and we trust will soon receive, a thorough exposure by a Parliamentary commission

If there be one feature of our banking system which has chiefly and most of all tended to give solidity to the whole fabric, we think that feature is the positive obligation by which each institution has to keep a reserve of legal tenders equal to one fourth of all its liabilities for notes and for deposits. This provision is the great safeguard of the system, and has tended to neutralize and arrest many of its evils. We cannot too jealously guard the legal tender reserves of our banking institutions. And it is a gratifying fact, pointed out by Mr. Freeman Clarke in his last report, that the aggregate reserves of our National Banks are considerably in excess of the requirements of the law.

It is one of the many valuable functions discharged in our financial system by the compound legal tender notes that they act as a reserve and give strength to the banks, while as they earn interest, an inducement is offered to the banks to carry more compounds than they are actually compelled to hold by the law. This, doubtless, is one chief cause of the interesting fact relative to the excess of the legal tender reserve for which Mr. Clarke does not in his report attempt to account. It also furnishes us with an additional reason to those we have frequently detailed in these columns for disapproving the policy of withdrawing the compound notes which is advocated in influential quarters.

To sum up our whole argument, we may say that in proportion as we have abundant reserves in our banks and abstinence from inordinate speculation in all departments of financial enterprise shall we be likely to have an exemption from the worst evils of monetary panics.

The money market during the month has exhibited considerable derangement, in great part due to the sales of thirty millions of gold by the Government within the ten days ending May 24. The sudden increase of our foreign indebtedness by the return of Five-twenties from London, and the falling due of from eight to ten millions of coupons of Five-twenty bonds held abroad, at the same time with the stoppage in our exports of cotton, necessitated the shipment of an extraordinary amount of specie. To meet this demand and to prevent a rise in gold the Government very unwisely opened its coffers, and as the bulk of the payments fell due in one week, the result was a sudden and heavy drain on the banks, with considerable derangement in monetary affairs. Late in the month there has been a steady recovery. Below we give the current rates for loans each week :

RATES OF LOANS AND DISCOUNTS.

	May 4.	May 11.	May 18.	May 25
Call loans.....	4 @ 5	4 @ 5	4 @ 5	7 @ -
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.....	5½ @ 6	5 @ 6	5 @ 6	6½ @ 7
Good endorsed bills, 3 & 4 mos.....	6 @ 7	6 @ 7	6 @ 7	6½ @ 7
“ “ single names.....	7 @ 8	7 @ 8	7 @ 8	8 @ 10
Lower grades.....	10 @ 15	9 @ 12	9 @ 12	10 @ 18

There have been, during the month, about twelve millions of Fifties returned from Europe, and the market here, towards the close of the month, has yielded somewhat until the rise in gold caused an increased demand, and the price rapidly recovered.

There are two things which, to us, render it probable that the return current of our securities from Europe will not, for any great length of time, be kept up. First, there are comparatively few of our Fifties in England. Of the 350 millions of these securities which are in the hands of European holders, it is computed that not more than 50 millions are owned by British capitalists. Hence, if on the Continent of Europe, in consequence of the troubled state of the political atmosphere, a considerable amount of bonds should be thrown on the market, they will be very likely to be taken up in Europe, where there is always an immense amount of capital waiting to invest itself in sound and safe securities. The firmness in consols indicates that the scare in the London money market is passing away, and that the financial atmosphere is clearing up. The same cause which has given a turn to British investments in the direction of consols, can scarcely fail to operate in favor of American securities, especially as all the securities of the Continental governments are temporarily depressed and avoided.

Secondly, there is in England a growing conviction which is permeating the masses of the people, and is obtaining more and more power over the moneyed and governing classes, that this country is well able to bear its load of debt, and that our unbounded faith in the vast resources and recuperative energy of the United States does not rest on a false foundation. This conviction has recently found expression in the House of Commons in a speech by the Chancellor of the Exchequer, Mr. Gladstone, whom no one will suspect of undue partiality. He observes that "the debt of the United States is in itself something wonderful—wonderful as the creation of four years, strictly of four years, and no more; and yet amounting to nearly \$3,000,000,000, or £600,000,000, and the rate of growth of the debt in the last year exceeded, I think, £200,000,000. That is a wonderful debt, and its charge is enormous. Well, now, looking at these figures, a man would be struck with something like despair; but if we look at the position of the country which has to bear the burden, I must confess that I think *the future of America*, as far as finance is concerned—political problems are not now in question—*will not be attended with any embarrassment. I do not believe the debt will constitute any difficulty for the American people.* I am confident that if they show with respect to finance, any portion of that extraordinary resolution which on both sides alike they manifested during the war, and of that equally remarkable resolution with which, on the return of peace, they have brought their monstrous and gigantic establishments within moderate bounds, I won't say that this debt, according to an expression which was once fashionable in this country, will be a fleabite, but that in a moderate time it will be brought within very small limits, and *may, even within the lifetime of persons now living, be effaced altogether.*" In these remarks we see not merely what is thought of American securities by Mr. Gladstone, but they are still more valuable as an echo of British opinion, and especially of the opinion of British capitalists and investors. With such testimony before us, we are still of the opinion we expressed recently, that in proportion as our securities leave Germany, they will have a growing

tendency to find a resting place in England. We do not wish to be understood as favoring the retention of our bonds in Europe. On the contrary, if we are able to absorb the whole of them in this country, our financial position would be stronger, or less open to disturbance than if they were held abroad.

The extent of the decline at London may be seen from the following table of the highest price at London daily, for the four weeks record during the month :

PRICES OF AMERICAN BONDS AND RAILROAD SHARES AT LONDON.

	Week ending April 21.						Week ending April 28.					
	Mon	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5'20'a, '82.	69½	69½	69½	70½	70½	70	70½	70½	70½	70½	70½	70½
	Week ending May 5						Week ending May 12					
	Mon.	Tues	Wed	Thur	Fri.	Sat.	Mon.	Tues	Wed	Thur	Fri.	Sat.
United States 5-20'a, '82..	69½	..	69½	68½	69½	68	68½	66½	66½	65½	68½	68

From the foregoing it will be seen that the decline is from 73½ on April 6, to 63 May 12. Below we give the price at the New York Stock exchange of the several leading Government securities represented by the closing sale of each day in May, 1866 :

PRICES OF GOVERNMENT SECURITIES, APRIL, 1866.

Day of month.	6'a, 1881.—		6's, 5-20 yrs.—		5's, 10-40 yrs.—		7-30's, 1887.	1 y'r certif.
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.		
Tuesday ... 1	108	...	101½	101½	94½	...	101½	100½
Wednesday 2	108	108½	101½	101½	95	...	101½	...
Thursday .. 3	108½	108½	101½	102	96	...	101½	...
Friday..... 4	109	109	101½	.....	95½	...	102	...
Saturday... 5	109½	.....	102½	.....	95½	...	102	...
Sunday 6	.....	.....	.....	.....	.....	...	.....	...
Monday.... 7	109	.....	102½	102	95½	...	102	...
Tuesday ... 8	109½	.....	102	102	95½	96	102½	...
Wednesday 9	109	.....	102	.....	96	...	102½	100½
Thursday ..10	109½	109½	102	102½	95½	...	102½	100½
Friday.....11	109½	109½	102	.....	96	...	102½	100½
Saturday...12	109½	109½	102	.....	96	...	102½	...
Sunday.....13	.....	.....	.....	.....	.....	...	.....	...
Monday....14	109	.....	101½	102	95½	...	102½	...
Tuesday ...15	108½	.....	101½	.....	96½	95½	102½	100½
Wednesday16	108½	108½	101½	.....	96½	...	102½	100½
Thursday ..17	.....	.....	101½	.....	...	...	102½	100½
Friday.....18	109	.....	101½	101½	...	...	102½	100½
Saturday...19	.....	.....	101½	.....	...	...	102½	...
Sunday.....20	.....	.....	.....	.....	.....	...	.....	...
Monday... 21	108½	102	101½	102½	96	96½	142½	100½
Tuesday...22	.....	108½	100½	.....	95½	...	.....	...
Wednesday23	107½	.....	100½	.....	94½	...	101½	...
Thursday ..24	108½	108	100½	.....	94½	...	101½	...
Friday.....25	.....	.....	101½	.....	94½	94½	.....	...
Saturday.. 26	108½	.....	101½	104½	95½	...	.....	...
Sunday ....27	.....	.....	.....	.....	...	...	.....	...
Monday...28	108½	.....	102½	101½	96	...	102½	100½
Tuesday ...29	109½	109½	102½	.....	96	...	102½	...
Wednesday30	109½	.....	102½	.....	96	...	102½	...
Thursday ..31	109½	.....	102½	.....	95½	...	102½	...
Opening.	108	109½	101½	101½	94½	96	101½	100½
Highest.....	109½	109½	102½	102½	96½	96½	102½	100½
Lowest.....	108	108	100½	101½	94½	94½	101½	100½
Closing.....	109½	109½	102½	101½	95½	94½	102½	100½

The railroad returns for the month of April show very satisfactory results ; since instead of the large decrease in earnings anticipated on the close of the war very many of the roads show an increase. Below we give the earnings for the month compared with the corresponding periods of 1865.

RAILROAD EARNINGS FOR THIS YEAR.

Railroads.	1865	1866	Difference.
Atlantic and Great Western.....	\$399,870	\$388,480	Decrease.. \$11,390
Chicago and Alton.....	258,480	370,889	Increase.. 112,409
Chicago and Great Eastern.....	75,514	102,801	Increase.. 27,287
Chicago and Northwestern.....	458,858	58,736	Increase.. 50,378
Chicago and Rock Island.....	186,172	197,886	Increase.. 11,714
Erie.....	1,538,814	1,153,295	Decrease.. 385,519
Illinois Central.....	516,608	406,773	Decrease.. 109,835
Housatonic.....	33,237	37,558	Increase.. 4,321
Marietta and Cincinnati.....	86,184	82,722	Increase.. 3,462
Michigan Central.....	337,240	343,736	Increase.. 6,496
Michigan Southern.....	366,245	409,427	Increase.. 43,182
Milwaukee and St. Paul.....	106,249	121,904	Increase.. 15,655
Ohio and Mississippi.....	271,527	277,423	Increase.. 5,896
Pittsburg, F. Wayne and Chicago.....	733,866	606,078	Decrease.. 127,788
Toledo, Wabash and Western.....	144,001	270,300	Increase.. 126,299
Western Union.....	32,972	43,333	Increase.. 10,361
Total.....	\$5,551,859	\$5,331,341	Decrease.. \$220,518

The decrease appears thus to have occurred in the great through lines, as the Erie, the Atlantic and Great Western, the Pittsburg, Fort Wayne and Chicago and the Central Illinois. In all others noted above, there has been more or less increase. It may, however, be observed that in the case of the Toledo, Wabash and Western, the mileage operated this year is double that of last year, which converts the apparent increase into a decrease.

The market for railroad and other stocks has been quite active during the month. The speculative ardor of Wall street was momentarily checked by the unfavorable advices from the money centres of Europe and a temporary depression of prices resulted. Very soon, however, the street appeared to reach a unanimous conclusion that the Bourse and 'Change had little direct bearing upon Wall Street, and the flurry was consequently succeeded by a fresh activity in speculation for higher prices. In the latter part of the month, however, this buoyant tendency was checked by an extraordinary movement in Erie. On Monday about twenty thousand shares of the stock was thrown upon the market, causing a decline of 5 per cent. On Tuesday about twenty thousand more sold, producing a further fall of 5 per cent, the price closing on that day at 57½. On Wednesday about ten thousand shares more were sold, but the price reacted and closed at 61½—a recovery of 4½. Yesterday the price opened at 59½, and closed at 60½; and to-day on the street the stock was quoted 61½@61½.

This extraordinary movement is explained by the supposition that the speculative director of the road had thrown a large portion of the stock he holds as collateral on a loan to the company upon the market. We understand that the company recently borrowed a further sum from Mr. Drew—augmenting his loan to \$1,800,000—depositing fourteen thousand shares of common stock, thereby increasing the amount of stock held by him as collateral to twenty-eight thousand shares. It is understood, further, that the company has negotiated with Mr. Drew for a new loan of \$1,700,000, to run two years, advancing as collateral \$3,000,000 of the convertible bonds of the company, which bonds Mr. Drew is to have the right to convert into stock at his discretion, and either of which he may use as he pleases, only being obligated to return an equivalent amount of either bonds or stock on the liquidation of the loan. The total floating debt of the company is stated to \$3,500,000, which, when the last mentioned loan is taken up, will be represented by Mr. Drew's loans. There has been rather more

activity in the miscellaneous list, especially in Boston Water Power and Canton, both of which are under clique manipulation. The following are the closing quotations for leading stocks, compared with those of previous weeks:

	April 20.	April 27.	May 4.	May 11.	May 18.	May 25.	May 31.
Cumberland Coal.....	45	45	44½	45	47	45½	....
Quicksilver	53	55½	54	55½	54½	52½	52½
Anton Co.....	53	57½	59	..	61½	57½	60
Mariposa pref.....	..	23½	25½	24½	23	23½	24½
New York Central.....	92½	93	92½	92½	94½	94½	96
Erie	72½	73½	73½	73½	74½	68½	60½
Hudson River	108½	110½	110½	109½	111½	113½	113½
Reading.....	103	105	107½	107½	107½	110½	109½
Michigan Southern ..	81½	82½	78½	78½	79½	80	80½
Michigan Central.....	103½	107½	....	....	....	106	107
Cleveland and Pittsburg.	80½	82½	82	83½	86	86½	84½
Cleveland and Toledo....	xd.101½	104½	104½	104½	106	104½	....
Northwestern	27	29½	29	28½	29½	28½	28½
" preferred..	56½	59	61½	58½	59	58	58½
Rock Island	120	123	123½	xd.94½	93½	93	....
Port Wayne	96	98½	100	99	98½	96½	97½
Illinois Central	114½	123	121½	123	120½	118	118½

The imports of foreign dry goods at this port for May show, as we stated would be the case, a still further decrease compared with the previous months of 1866 and the last half of 1865, and yet the total entered at the port is larger than for the same period of either of the previous three years. The whole value landed here during the last four weeks was \$6,687,738 of which \$4,346,822 went directly into consumption and \$2,340,916 went into warehouse. There was also withdrawn from the warehouse during the same period \$2,098,963, making a total thrown on the market in May of \$6,445,785. Below we give the figures for the month:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF MAY.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool	\$652,927	\$891,927	\$865,699	\$1,325,970
do cotton.....	160,199	371,889	309,057	569,475
do silk.....	700,511	906,379	819,920	887,601
do flax	432,029	687,485	520,690	908,053
Miscellaneous dry goods.....	156,604	247,642	151,863	355,724
Total entered for consumption	\$2,102,270	\$3,105,322	\$2,667,469	\$4,346,822

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$519,076	\$1,429,166	\$1,415,065	868,246
do cotton.....	144,980	460,843	535,591	399,883
do silk.....	412,641	508,708	590,118	458,345
do flax.....	178,257	489,680	944,227	298,898
Miscellaneous dry goods.....	73,307	140,231	163,799	73,991
Total withd'n from warehouse.....	\$1,328,141	\$3,028,628	\$3,698,800	\$2,098,963
Add entered for consumption.....	2,102,270	3,105,322	2,667,469	4,346,822
Total thrown on the market.....	\$3,430,411	\$6,133,950	\$6,366,269	\$6,445,785

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$538,930	\$1,399,462	\$651,740	\$834,206
do cotton.....	316,834	302,465	138,914	311,359
do silk.....	208,285	674,934	118,344	651,961
do flax.....	369,733	642,794	272,814	456,350
Miscellaneous dry goods.....	76,459	56,159	64,187	87,040
Total ent. for warehousing.....	\$1,510,241	\$2,975,814	\$1,245,999	\$2,340,916
Add ent. for consumption.....	2,102,270	3,105,322	2,667,469	4,346,822
Total entered at the port.....	\$3,612,511	\$6,081,136	\$3,913,468	\$6,687,738

If now we add these figures to those for the previous months of the year, we will find that the imports are still largely in excess of any of the previous years we give. The following will show the comparative imports since Jan. 1 :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR FIVE MONTHS FROM JANUARY 1.

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$7,514,069	\$12,951,762	\$4,779,320	\$14,241,528
do cotton.....	2,672,368	4,156,135	1,762,516	8,753,752
do silk.....	4,333,992	8,311,454	2,977,667	9,211,964
do flax.....	8,52,772	4,690,970	2,496,840	6,885,851
Miscellaneous dry goods.....	1,279,554	2,074,394	798,470	3,547,745
Total ent. for consumption.....	\$19,323,750	\$32,184,765	\$12,814,813	\$42,650,840

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$1,770,639	\$4,223,418	\$3,785,224	\$6,713,625
do cotton.....	708,699	1,652,524	1,956,740	3,685,728
do silk.....	1,322,986	2,126,372	1,934,705	3,324,143
do flax.....	673,107	1,856,893	2,473,611	2,399,848
Miscellaneous dry goods.....	227,571	871,056	505,341	565,023
Total withdr'wn from warch'e.....	\$4,703,002	\$10,230,263	\$10,655,681	\$16,687,887
Add entered for consumption.....	19,323,750	32,184,765	12,814,813	42,650,840
Total thrown on the market.....	\$24,026,752	\$42,415,028	\$23,470,494	\$59,338,727

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$3,118,939	\$4,360,485	\$2,522,639	\$3,672,545
do cotton.....	1,627,032	1,094,609	1,130,877	3,350,862
do silk.....	1,560,978	2,010,675	825,588	2,015,120
do flax.....	1,537,538	1,614,007	1,584,826	3,052,201
Miscellaneous dry goods.....	829,900	293,735	303,305	632,527
Total entered warehouse.....	\$8,174,387	\$9,373,511	\$5,967,285	\$11,723,255
Add entered for consumption.....	19,323,750	32,184,765	12,814,813	42,650,840
Total entered at the port.....	\$27,498,137	\$41,558,276	\$19,182,098	\$50,374,095

From the foregoing it appears that the total values of dry goods landed here since January 1st is \$60,374,095, or more than three times the total for the same period of 1865. If now we compare the figures from the beginning of the fiscal year July 1st we will find that the imports for the eleven months of 1865-66, are still very largely in excess of previous years. Below we give the total imports of foreign dry goods at this port for the first eleven months of each fiscal year beginning with July 1, 1855 :

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR ELEVEN MONTHS FROM JULY 1ST.

Year.	Value.	Year.	Value.	Year.	Value.
1855-56.....	\$80,723,432	1859-60.....	102,308,163	1863-64.....	\$78,433,263
1856-57.....	88,964,962	1860-61.....	82,104,938	1864-65.....	44,411,871
1857-58.....	64,517,058	1861-62.....	84,620,618	1865-66.....	128,689,027
1858-59.....	85,834,046	1862-63.....	59,061,614		

We thus see that the total for the eleven months of this year now amounts to \$128,689,027; and as there is another month to complete the fiscal year, the total for the year will probably reach \$135,000,000. From these figures, it must be evident that a high or low tariff does not regulate the value of our imports.

Gold has been very active during the month on account of the large demand for shipment. The following is a statement of the Treasure movement at New York weekly since January 1, up to the close of May :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury —Gold Certificates— Customs receipts. Interest payments. issued. returned.	In banks at close of week.
Jan. 6.....		\$552,027	\$2,107,341 \$3,597,240	\$3,122,440 \$1,34,8832 \$15,778,741
" 13.....	\$685,610	640,503	2,334,694 1,130,789	3,206,180 1,578,194 16,852,568
" 20.....	799,706	685,894	2,754,369 574,162	2,706,403 1,928,641 15,265,372
" 27.....		656,812	3,226,040 279,842	2,598,400 2,137,048 13,106,759
Feb. 3.....	944,873	292,568	3,347,422 115,204	2,081,280 2,221,423 10,937,474
" 10.....	1,449,074	438,409	3,251,734 120,179	1,916,700 2,376,735 10,129,806
" 17.....		445,489	2,893,008 94,828	2,992,900 2,158,009 10,308,758
" 24.....	1,209,048	560,193	2,608,793 119,579	5,893,230 1,995,796 14,213,351
Mar. 3.....		75,453	3,386,934 1,183,343	2,125,000 2,664,934 17,151,130
" 10.....	1,469,286	556,234	2,297,836 882,712	2,101,000 1,706,835 16,563,237
" 17.....	1,425,353	236,671	2,464,482 328,593	1,498,400 1,919,483 15,015,242
" 24.....	889,837	170,297	2,509,419 174,911	361,280 1,886,419 13,945,651
" 31.....	673,615	3,500	2,451,345 225,414	1,376,000 1,895,334 11,930,222
Apr. 7.....		216,842	2,563,010 63,140	3,016,840 2,120,100 11,436,295
" 14.....	729,842	122,628	2,857,704 49,800	5,038,460 2,274,704 11,035,129
" 21.....	809,459	117,312	2,535,568 35,169	4,207,000 1,971,568 9,495,463
" 28.....		73,280	2,246,307 40,506	4,137,140 1,760,307 8,243,937
May 5.....	1,318,271	1,247,249	2,711,181 7,061,900	4,653,000 2,227,181 10,914,997
" 12.....	1,072,820	1,064,496	2,417,391 2,648,000	3,110,000 1,948,391 13,970,402
" 19.....		8,763,293	2,542,814 1,702,000	2,842,000 2,069,814 13,595,465
" 26.....	1,276,505	9,421,766	2,858,455 940,100	9,177,000 1,929,454 19,376,929
Since Jan 1.....	\$14,254,521	26,565,431	56,165,850 21,367,711	68,158,700 42,114,112 \$.....

The following exhibits the amount of treasure exported from New York to foreign countries from January 1 to the last Saturday in May for fifteen years :

1866.....	\$26,565,431	1861.....	\$3,005,196	1856.....	\$11,130,080
1865.....	11,710,932	1860.....	12,360,832	1855.....	13,889,874
1864.....	22,281,600	1859.....	25,684,544	1854.....	12,925,758
1863.....	19,248,210	1858.....	11,785,217	1853.....	7,034,846
1862.....	18,108,737	1857.....	18,021,607	1852.....	10,518,262

From the above it will be seen that the exports of Treasure for the month have reached over twenty three millions of dollars. This supply came in great part from the sales of the Assistant Treasure at New York. In sympathy with this new demand gold has risen during the month, and closed at 140½. Below we give the course of gold for the month :

COURSE OF GOLD FOR MAY.

Date.	Open'g	High'st.	Lowest.	Closing.	Date.	Open'g	High'st.	Lowest.	Closing.
Tuesday.....	1 125½	127	125½	126½	Sunday.....	20			
Wednesday.....	2 126½	128½	126½	127½	Monday.....	21 130½	132½	130½	132½
Thursday.....	3 128½	129½	127½	127½	Tuesday.....	22 130½	134½	130½	133½
Friday.....	4 127½	127½	127½	127½	Wednesday.....	23 133½	138½	133½	136½
Saturday.....	5 127½	127½	127½	127½	Thursday.....	24 139	139½	137½	139½
Sunday.....	6				Friday.....	25 141½	141½	139½	139½
Monday.....	7 127½	128½	127½	128½	Saturday.....	26 139½	139½	138	138
Tuesday.....	8 128½	129½	128½	129½	Sunday.....	27			
Wednesday.....	9 129½	129½	128½	128½	Monday.....	28 137½	137½	137	137½
Thursday.....	10 128½	129½	128½	129½	Tuesday.....	29 137½	138½	137½	137½
Friday.....	11 129½	129½	129	129½	Wednesday.....	30 138½	138½	138	138½
Saturday.....	12 129½	129½	128½	123½	Thursday.....	31 138½	140½	139	140½
Sunday.....	13								
Monday.....	14 130½	130½	130½	130½	May, 1866.....	125½	141½	125½	140½
Tuesday.....	15 130½	130½	129½	129½	" 1865.....	145½	145½	128½	137
Wednesday.....	16 130½	130½	130	130½	" 1864.....	177	190	163	190
Thursday.....	17 130	130½	129½	129½	" 1863.....	151	154½	143½	145
Friday.....	18 129½	130½	129½	130½	" 1862.....	102½	104½	102½	103½
Saturday.....	19 130½	130½	130	130½	" 1861.....	100	100	100	100

The following table shows the daily fluctuations of exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for May, 1866 :

COURSE OF EXCHANGE FOR MAY.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1..	108½@109½	520 @515	41 @41½	78½@79½	86 @86½	71 @71½
2..	109½@109½	518½@515	40½@41½	78½@79½	86 @86½	71½@72½
3..	109½@109½	517½@515	41 @41½	78½@79	86½@86½	71½@72½
4..	109½@109½	517½@515	41 @41½	78½@79	86½@86½	71½@72½
5..	109½@109½	517½@515	41 @41½	78½@79	86½@86½	71½@72½
6..						
7..	109½@109½	516½@518½	41 @41½	78½@79½	86½@86½	71½@72½
8..	109½@109½	518½@518½	41 @41½	79 @79½	86½@86½	72 @72½
9..	109½@109½	515 @512½	41½@41½	79½@79½	86½@86½	72½@72½
10..	109½@109½	515 @512½	41½@41½	79½@79½	86½@86½	72½@72½
11..	109½@109½	515 @512½	41½@41½	79½@79½	86½@86½	72½@72½
12..	109½@109½	516½@518½	41½@41½	79½@79½	86½@86½	72 @72½
13..						
14..	109½@109½	515 @512½	41½@41½	79½@79½	86½@87	72½@72½
15..	109½@109½	515 @512½	41½@41½	79½@80	86½@86½	72½@72½
16..	109½@109½	515 @512½	41½@41½	79½@80	86½@86½	72½@72½
17..	109½@109½	518½@511½	41½@41½	79½@80	86½@87	72½@72½
18..	109½@109½	518½@511½	41½@41½	79½@80	86½@87	72½@72½
19..	109½@109½	518½@511½	41½@41½	79½@80	86½@87	72½@72½
20..						
21..	109½@109½	515 @511½	41½@42½	79½@80	86½@87½	73 @72½
22..	109½@109½	518½@510	41½@42	79½@80	86½@87½	73½@74
23..	109½@109½	518½@510	41½@42	79½@80	86½@87½	73½@74
24..	109½@109½	518½@512½	41½@42	79½@80	86½@87	73½@74
25..	109 @109½	516½@518½	41½@41½	79½@79½	86½@87	73½@74
26..	109 @109½	516½@518½	41½@41½	79½@79½	86½@87	73½@74
27..						
28..	109½@109½	516½@512½	41½@41½	79½@80	86½@87½	73½@74
29..	109½@109½	516½@512½	41½@41½	79½@80	86½@87½	73½@74
30..	109½@109½	515 @511½	41½@41½	79½@80	86½@87½	73½@74
31..	109½@109½	512½@510	41½@41½	79½@80	86½@87½	73½@74
May	108½@109½	520 @510	40½@42½	78½@80	86 @87½	71 @74
Apr	106½@108½	537½@517½	39½@41	76½@78½	85 @86½	69½@71½
Mar	106½@108½	530@ 518½	40 @41	77 @78½	85½@86½	70½@71½
Feb	107½@108½	532½@517½	40½@41	77 @79	85½@86½	70½@71½
Jan	108 @109½	523½@515	40½@41	78 @79½	86 @86½	71 @71½

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Failure of the Merchants' National Bank at Washington—Government Deposits in Banks—The Bill Providing for the Redemption of National Bank Notes, &c—New York, Boston, and Philadelphia Bank Returns.

THE month among banking circles which has just passed is especially notable on account of the disastrous collapse of the Merchants' National Bank at Washington. The opprobrious circumstances attending this failure are detailed in an official preliminary report which has been issued and published by the daily press, but we have not room for it here. Moreover, if we are not misinformed the truth is not all known as yet, and further surprising disclosures will shortly be made. One of the most noteworthy circumstances connected with this failure is the small extent to which the customers of the bank are sufferers. On the 1st of January last the deposits of private persons were officially reported at \$602,309. Had the bank failed, then the loss of individual depositors would have been very heavy. From some causes, which require explanation however, these private deposits, on the day of the failure, were reduced to \$38,610. In other words, more than half a million of dollars appears to have been paid to preferred creditors a short time before the crash. Now, from this point of view, it is a singular coincidence that the government deposits between 1st January,

and the failure increased from \$94,225 to \$762,312, and a more remarkable circumstance still is that over a quarter of a million of government money was placed in the bank within a fortnight of the closing of its doors by complete insolvency.

It has for a long time been no secret that the Merchants' National Bank did not enjoy the high credit which should be indispensable to every bank which is permitted to enjoy the prestige of being a depository of public money. The United States Treasurer, Mr. Spinner, it has accordingly been in some quarters supposed, must have known something of the loss of credit of the bank. It is certain that he has acted with commendable caution in drawing down his deposits. On this subject, Mr. Spinner, in a letter to an evening paper, makes the following statement :

" Now the facts are, that there was standing to the credit of the Treasurer of the United States only \$3,858 83. On the day of the failure the bank issued a certificate that \$1,155 81 was deposited on account of its semi-annual duty, and on the same day General Robinson directed the bank to *pass from his credit to that of the Treasurer of the United States the sum of \$51,258 98*. No money passed in either of these last two transactions, and both were made when it was known that the bank had failed. So far as the Treasurer's account was concerned, there was and is now standing legitimately to his credit *less than four thousand dollars*, while he holds in his hands securities, exclusive of what will be required to redeem the entire circulation of the bank, that would on a sale to-day exceed *one hundred and thirty thousand dollars*. The truth is, that but for the disobedience of orders of a military officer, and the indiscretion of two officers in the Treasury Department—of neither of which the Treasurer had knowledge—no harm could by any possibility have come to the government."

Under the 45th section of the National Banking law, it is the right of Mr. Freeman Clarke, as Comptroller of the Currency, to order, with the approval of the Secretary of the Treasury, an official examination of the affairs of any National Bank. That, in the case of the Merchants' National Bank this examination should have been deferred until after the failure is on every account greatly to be regretted. By falsifying its returns, or by some other contrivances, a disingenuous shaky bank might deceive everybody in the office of the Comptroller of the Currency ; but it could scarcely deceive many watchful officers in other bureaus of the Treasury Department. Several disbursing officers, at any rate, must have been in the secret. Now, it is the obvious duty of these subordinates to report to their chief, the Secretary of the Treasury, any and every case of irregularity on the part of the depositors of public money. If there be no regulation requiring this, such a rule should be made without delay. For how, otherwise can it be known by Mr. McCulloch what banks require looking after, and what public depositories should have their deposits of government money reduced or removed.

How long ago certain disbursing officers have been aware of the dangerous position of the bank we are not told, but there is every reason to believe that the meeting of the 20th April, at which the official examiner says that Lieut. Col. E. E. Paulding, Paymaster United States Army, was present, was the last of a series of anxious consultations of the " friends of the bank." After this meeting, when the insolvent condition of the bank was well known, Col. Paulding, instead of taking measures to draw out the \$300,000 of Government funds

which he had deposited there, proceeded next day to place \$200,000 more in the bank, two other dishonest officers of the Government adding \$43,000 more. Notwithstanding this evidence of fraudulent and concerted purpose we do not hear that any of the parties to the crime have as yet been arrested, with the exception of Col. Paulding himself, who will probably be tried by court martial, and the President of the bank. The preliminary inquiries are, indeed, still going on, and some of the features of this disgraceful affair may assume a different color as more light is shed upon them. In view of this investigation we have only to ask on the part of the public that the fullest publicity be given to the facts, and the severest punishment to the men who shall be found guilty of contriving and conniving at so heinous a crime. Among the subordinate points on which the public desire information is the almost unlimited command which Paulding seems to have had of Government money. We have every reason to believe that our paymasters and other disbursing officers have, with very few exceptions, proved themselves worthy of the highest trust; but we must object in the most positive and emphatic manner to the allowing of Government funds to lie in the hands of any pay officer longer than is absolutely necessary. His office is to disburse and not to hold the public money. His bonds are fixed at a rate which indicates that he is never to hold more than a very limited amount and for a very limited time. Our disbursing officers must be made to understand that the money entrusted to them must be placed, with the least possible delay, in the hands of the creditors of the Government. So far, however, have we diverged from the right and safe rule, that Paymaster Paulding accommodate his friends with a loan of half a million of dollars, and certain banks, it is reported, are accustomed to offer inducements of a pecuniary character to disbursing officers to place Government funds on deposit with them. Any paymaster who receives any such gratuities, whether as interest or any other form, should be instantly disgraced and dismissed the service.

It is worthy of note that no less than sixteen officials in various bureaus had money deposited in the Merchants' National Bank. As its capital was \$306,000, the stockholders will, of course, be responsible for the debts of the bank under the stockholders' liability clause of the National Banking law. The currency now outstanding amounts to \$179,810. It is supposed by some persons that as the Government will redeem broken bank notes from the proceeds of the bonds deposited at Washington for that purpose, these notes will pass as freely now as before the bank stopped payment. This is a mistake. The notes of a broken National Bank are no longer legal tender from or to the Government. They will be eventually paid by the Treasury, and destroyed. But the law does not provide that they shall be paid except after such a day as may be fixed for that purpose.

The subject of the redemption of National Bank notes is again prominently brought forward by the introduction into the Senate of a bill, providing that "each bank must select, subject to the approval of the Comptroller, a bank in New York, Boston, or Philadelphia at which to redeem its circulating notes at par." It is to be regretted that a bill making this necessary reform should not have been introduced till so late a period in the session. The time has now come when efficient redemption of the bank note circulation can no longer be dispensed

with. In the interests of economy it is urged by many persons that all the National Bank notes should be called in, because the profit of the issue accrues to private persons ; while the greenbacks should remain out, because the profit is all gained by the Government. We are not prepared to concur in this view. One of the reasons for preferring bank currency to irredeemable government notes, has been usually said to be that irredeemable notes can be kept afloat to an amount beyond the wants of business. These wants are not fixed, but vary with the season of the year, and with numerous other circumstances. In proportion as there is an excess of paper money afloat, depreciation takes place, and inflation of prices naturally results. Bank notes, on the other hand, if redeemable, can scarcely be long kept out in excess of the monetary wants of the country. Hence, they are not so liable to become redundant, and to produce perturbation of values ; for they flow back in a constant stream to the issuer for payment, and the current of the circulation is thus kept at its proper height. Since, without redemption in New York, it is impossible to keep bank notes at par, efforts have been making ever since the National Banking law was passed to have it made more perfect. That enactment, it will be remembered, does not appoint the monetary centre of the country as the place of redemption, but allows the banks to select any one of a dozen other places in preference to and instead of New York. Experience has abundantly shown the truth of the position we have always taken on this question, that our bank notes cannot be permanently kept as a sound uniform currency, except they be compulsorily redeemable in New York, or what is the same thing, in one of the three great cities.

As might be expected the obligation of redemption entails a loss of profit, and is objected to by some of the interior banks. These institutions, however, must learn to rise above the sordid views of private advantage. It is for their interest that the National banking system should be permanent ; and without redemption of the bank note this will be impossible. Had an unredeemed paper currency been tolerable to the people of the United States, the National Bank currency would never have been allowed to be issued at all. When these institutions were authorized by Congress, greenbacks were already out, and would have answered the purpose of a currency well if their quantity could have been kept adequate. The profits of issuing such an irredeemable currency are immense. Put those profits, for reasons that appeared sufficient, Congress refused to the National Treasury. Irredeemable notes being out to the extent of 400 millions, and further issues being inadmissible, we created the new banks for the special purpose of issuing 300 millions of notes that should be redeemed, and so redeemed as to be kept steadily at par throughout every State in the Union. The franchise bestowed on the banks was more valuable than any ever given to private persons in this country before. The people have a clear right, therefore, to exact that each National bank, wherever situated, shall take care of its own notes ; and that its stockholders while they enjoy their privileges shall perform their duties

The second section of Mr. Clarke's bill is of interest as providing that no bank "shall make loans or discounts or pay dividends" except it has on hand the full amount of its reserve of 25 per cent on its notes and its deposits. This is a conservative provision and will, we suppose, be adopted as will also per-

haps the clause which repeals the exemption from State taxes. We trust, however, that Congress will strike out the opening section which authorizes the issue of \$100,000,000 of bank notes in addition to the \$300,000,000 already authorized. The country has suffered too much from the evils of an inflated paper currency to submit to any increase in its amount.

The following is the section of the New York Clearing House Constitution which has just been amended by the addition of the words in italics:

The checks, drafts, notes, or other items in the exchanges, returned as "not good," or mis sent, shall be returned the same day directly to the Bank from whom they were received. *And the said Bank shall immediately refund to the Bank returning the same, the amount which it had received through the Clearing House for the said checks, drafts, notes, or other items, so returned to it, in specie or legal tender notes.* But checks, drafts, notes, or other items to be returned for indorsement, or informality, may, after being certified by the Bank returning it, be returned through the exchanges the following morning, not exceeding \$5,000 in amount to any one Bank.

As far as this applies to the questions in dispute between the Commonwealth and Continental, it will simply require the former to refund the money it collected from the latter upon the disputed check, without at all affecting its legal claim to make such collection. If the Commonwealth can legally establish the truth of its assumptions, the Continental will probably be compelled to pay the check.

The Bank returns of the three cities we give below. It will be seen that the specie in New York banks has largely increased during the month and especially the last week, having reached \$19,736,929. This is probably due to the payment of gold interest on the five-twenties. The legal tender reserve is also drawn down quite close, but it is still \$9,845,000 in excess of the legal requirement.

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tenders.	Ag. clearing
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$370,511.39
" 18.....	234,988,193	16,852,568	19,162,917	197,766,999	73,019,857	608,092.15
" 20.....	239,837,726	15,265,327	20,475,707	198,816,248	72,799,892	538,942.11
" 27.....	240,407,886	13,106,759	20,965,883	195,012,454	70,319,146	516,230.72
Feb. 8.....	242,510,882	10,937,474	21,494,234	191,011,695	68,796,250	502,590.12
" 10.....	242,606,872	10,129,806	22,240,469	188,701,463	68,426,013	492,421.08
" 17.....	243,068,252	10,308,758	22,982,274	189,777,290	64,802,930	471,825.12
" 24.....	239,776,200	14,212,351	22,959,918	183,241,404	61,002,726	497,150.07
Mar. 8.....	235,839,412	17,181,130	22,994,086	181,444,378	58,769,145	524,520.09
" 10.....	233,068,274	16,563,237	23,083,237	180,515,881	64,341,802	594,294.72
" 17.....	233,517,878	15,015,242	23,303,057	185,438,707	63,402,764	572,294.19
" 24.....	234,500,518	13,945,651	22,243,406	185,868,245	69,496,023	592,422.04
" 31.....	237,816,099	11,930,392	22,735,534	183,554,592	72,158,099	522,220.05
Apr. 7.....	242,648,753	11,486,295	24,127,061	189,094,961	71,445,025	602,225.10
" 14.....	244,009,829	11,035,129	24,332,961	192,152,499	72,916,870	572,092.22
" 21.....	242,067,068	9,495,463	24,045,857	196,808,578	77,622,033	525,224.75
" 28.....	245,017,692	8,242,937	25,377,280	202,718,574	80,539,022	542,220.09
May 5.....	252,974,184	10,914,997	25,415,677	210,378,303	81,204,447	602,224.17
" 12.....	257,621,817	12,970,402	24,692,269	217,552,853	85,040,059	522,092.05
" 19.....	255,630,463	12,595,465	25,189,634	217,427,739	85,710,107	572,222.43
" 26.....	257,969,598	19,736,929	26,222,667	208,977,905	73,822,947	712,575.41

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,222,369	\$35,321.34
" 8.....	17,226,320	46,774,150	963,685	7,319,536	36,612.04
" 15.....	17,267,412	47,350,428	1,007,186	7,257,972	35,947.79
" 22.....	17,052,559	47,254,622	1,012,960	7,411,257	36,214.53
" 29.....	16,244,277	47,607,558	1,008,825	7,422,524	35,400.01

Feb. 3.....	16,481,005	47,237,661	1,000,689	7,668,365	34,681,135
" 10.....	16,852,787	47,249,383	996,312	7,819,599	34,464,070
" 17.....	16,777,175	46,981,387	953,207	7,843,002	33,926,542
" 24.....	17,282,602	46,865,542	1,026,408	7,782,070	33,052,252
Mar. 3.....	17,447,635	46,604,752	1,041,392	8,141,049	32,835,094
" 10.....	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17.....	16,375,608	46,690,788	1,026,068	8,436,184	32,102,427
" 24.....	15,969,814	46,642,150	981,932	8,580,200	32,144,250
" 31.....	15,954,832	46,043,488	990,630	8,666,230	32,257,653
April 7.....	16,622,233	46,028,641	946,282	8,720,270	32,762,260
" 14.....	18,323,759	45,114,699	949,116	8,743,396	31,640,864
" 21.....	18,660,513	45,762,733	936,876	8,761,213	35,448,955
" 28.....	18,949,719	46,832,734	890,241	8,779,166	36,032,862
May 5.....	19,144,660	48,006,654	912,023	8,794,348	36,987,007
" 12.....	19,646,263	48,236,256	896,741	8,930,420	38,414,588
" 19.....	19,648,232	48,336,567	897,913	8,918,938	37,296,645
" 26.....	19,715,093	48,036,984	867,094	8,988,742	37,078,418

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1.....	\$91,421,477	\$801,415	\$19,807,300	\$38,451,794	\$21,497,354	\$1,404,721
" 8.....	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,828,798
" 15.....	92,939,364	1,029,105	20,438,014	40,939,870	21,946,593	1,273,948
" 22.....	92,665,111	1,040,114	20,750,698	40,300,609	22,034,642	1,215,675
" 29.....	92,877,783	1,008,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5.....	94,578,358	805,237	20,568,145	40,426,163	22,325,438	1,125,728
" 12.....	94,083,827	632,591	20,412,589	38,768,019	22,348,638	1,057,828
" 19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,033,391
" 26.....	93,539,000	521,292	20,262,177	36,398,481	22,887,971	1,048,022
March 5.....	92,990,512	556,856	20,031,968	35,581,876	22,606,835	1,006,719
" 12.....	90,705,159	623,938	19,905,120	35,297,498	22,730,829	721,809
" 19.....	91,902,811	606,992	20,470,018	36,696,321	24,018,916	910,740
" 26.....	91,931,236	513,153	20,913,521	35,887,368	23,019,887	901,620
April 2.....	92,351,979	532,536	20,761,014	36,697,227	23,087,633	869,329
" 9.....	92,142,975	487,455	20,334,570	37,426,560	23,266,612	830,069
" 16.....	91,270,892	457,648	19,932,647	37,006,696	23,635,043	777,198
" 23.....	86,120,897	411,693	19,309,145	36,946,132	22,460,488	744,041
" 30.....	86,723,001	401,113	19,549,614	38,396,210	22,856,056	744,425
May 7.....	90,369,569	576,150	21,415,716	41,205,276	23,516,330	719,688
" 14.....	90,328,554	501,013	22,462,522	42,021,976	23,551,579	695,527
" 21.....	89,634,864	472,172	22,973,509	41,611,149	23,195,968	661,819
" 28.....	91,833,402	436,391	23,658,956	41,631,746	23,722,217	644,658

THE UNITED STATES DEBT.

We give below the statement of the public debt, prepared from the reports of the Secretary of the Treasury, for April 1, May 1, and June 1, 1866

DEBT BEARING INTEREST IN COIN.

Denominations.	April 1.	May 1.	June 1.
6 per cent. due December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250
6 do July 1, 1868.....	8,908,312	8,908,312	8,908,312
5 do January 1, 1874.....	20,000,000	20,000,000	20,000,000
5 do January 1, 1871.....	7,022,000	7,022,000	7,022,000
6 do December 31, 1890.....	18,415,000	18,415,000	18,415,000
6 do June 30, 1881.....	50,000,000	50,000,000	50,000,000
6 do June 30, 1861, exc'd for 7.30s.....	139,284,650	139,313,150	139,344,500
6 do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
6 do Nov. 1, 1870-85 (5.20 years).....	100,000,000	100,000,000	100,000,000
6 do Nov. 1, 1870-84 (5.20 years).....	65,175,500	71,000,500	71,000,500
5 do March 1, 1874-1904 (10.40s).....	171,219,100	171,219,100	171,219,100
6 do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
6 do June 30, 1881.....	75,000,000	75,000,000	75,000,000

Aggregate of debt bearing coin interest..... \$1,177,867,292 \$1,180,236,342 \$1,182,825,192

DEBT BEARING INTEREST IN LAWFUL MONEY.

4 per cent Temporary Loan	10 days' notice.	\$121,751,970	181,497,854	144,561,486
5 do do				
6 do do				
6 do Certificates (one year).....		62,258,000	62,620,000	4,025,000
5 do One and two-years' notes.....		8,536,900	6,036,000	....

6 do	Three years' com. int. notes.....	172,012,141	167,012,141	162,012,141
6 do	Thirty-year bonds, (Cent'l Pacific R.).....	2,362,000	2,362,000	2,362,000
6 do	do (Union Pacific R. E. Div.).....	2,272,000	2,272,000	2,120,000
7.20 do	Three years' treasury notes, 1st series ..	816,512,650	818,044,000	812,221,000
7.80 do	do do 2d series			
7.80 do	do do 3d series			
Aggregate of debt bearing lawful money interest.....		\$1,186,207,011	\$1,188,313,545	\$1,147,222,221
DEBT ON WHICH INTEREST HAS CEASED.				
Debt on which interest has ceased.....		\$930,580	\$877,730	\$4,900,478
DEBT BEARING NO INTEREST.				
United States Notes		\$422,749,252	\$415,164,318	\$402,129,573
Fractional currency.....		28,005,452	28,192,077	27,234,465
Currency.....		\$451,754,704	\$443,356,395	\$429,463,233
Gold certificates of depos't.....		9,665,160	9,036,420	22,560,229
Aggregate of debt bearing no interest.....		\$461,419,864	\$452,392,755	\$452,031,608
Amount in Treasury—				
Coin		\$82,069,701	\$76,676,407	\$50,672,371
Currency.....		60,077,680	61,310,622	79,011,125
Total in Treasury.....		\$122,147,381	\$137,987,029	\$129,683,496
RECAPITULATION.				
Debt bearing interest in coin.....		\$1,180,236,342	\$1,186,092,842	\$1,186,092,842
Debt bearing inter'st in lawful money.....		1,186,207,011	1,188,313,545	1,147,222,221
Debt on which interest has ceased.....		930,580	877,730	4,900,478
Debt bearing no interest		461,419,864	452,392,755	452,031,608
Aggregate debts of all kinds.....		\$2,827,793,896	\$2,827,676,872	\$2,789,473,671
Cash in treasury.....		122,147,381	137,987,029	129,683,496
Amount of debt, less cash in Treas		2,705,646,515	2,689,689,843	2,659,790,175
LEGAL TENDER NOTES IN CIRCULATION.				
One and two years' 5 per cent notes.....		\$8,536,900	\$6,036,900	\$
United States notes (currency).....		422,749,252	415,164,318	402,129,573
Three years' 6 per ct comp. int. notes.....		172,012,141	167,012,141	162,012,141
Aggregate legal tender notes in circulation.....		\$603,298,293	\$588,213,359	\$564,141,714

MICHIGAN.—ITS MINERAL WEALTH.*

Michigan consists of two peninsulas, between which enters Lake Michigan, widely separating the two. Their geological formation is dissimilar—the northern is primitive, composed of gneiss rock and metamorphic slates, with overlying slates and sandstones, the latter containing the great copper veins, and the former immense bodies of magnetic and specular iron ore. The southern peninsula is of the secondary formation its rocks are horizontal strata of limestone, sandstone and slate, the sandstone appearing at the surface in the central and elevated parts of the interior, the limestone underlying it can be traced from the rapids of the Maumee, in Ohio to Saginaw Bay. This southern peninsula is composed almost wholly of groups of the Appalachian series of rocks, the highest of which, the coal formation, occupies the central part of the country, while the shales of the Portage and Chemung group stretch along the shores of Lake Michigan and Lake Huron. This southern peninsula abounds in gypsum, coal and salt.

The copper mines of Michigan are situated on the north part of the northern

* This article is a condensation of a very interesting letter written by J. A. Blake, Esq., Editor of the *Pittsburg Old News*, and recently published in that paper. The letter is dated from Marquette, the centre of the iron interest of the northern peninsula.

eninsula, confined chiefly to the Keweenaw peninsula, forty-three miles in length and with an average width of fifteen miles, and divided into the Keweenaw, Portage Lake and Ontonagon districts. In 1864

Keweenaw district, from its eighteen mines, shipped.....	lb	25,480,818
Portage Lake, from its thirteen mines, shipped.....		42,921,691
Ontonagon, from its nineteen mines, shipped....		17,220,500
Total	lb	85,610,999

of ore, producing about 6,850 tons of copper. The principal mines of the Keweenaw district are the Pittsburg and Boston, Northwestern and Medora ; of the Portage Lake district, the Quincy, Franklin and Pewabic ; of the Ontonagon, the National, which produced in 1864, 705,981 pounds ore, with the labor of one hundred and seven miners, the estimated production of the full year from the mine being \$100,000. Pittsburg was the pioneer in the Lake Superior copper mining enterprise. The second government permit was granted to the Pittsburg and Boston Mining Company in 1844, then known as the Cliff Mining Company. There are now nine Pittsburg companies in active operation, and much of the copper produced is refined in that city. The total number of companies is ninety-four, divided into 1,960,000 shares—the amount claimed to be paid in is \$13,109,124, not including the original cost of mining, nor the sums derived from the sale of copper which have been expended in developing the mines. The aggregate dividend is claimed to be \$5,600,000.

The iron region is situated in the western and northern parts of the northern peninsula. The iron occurs in a metamorphic formation, bounded by two granite belts—one on the north the other on the south. This formation consists of hornblend, talcose, and chlorite slates, with associated beds of hornblende and felspar rocks. The ore consists mainly of the specular or per-oxide of iron, with an admixture of the fine-grained magnetic. It often happens that a whole ridge or knob is one mass of pure ore. The ore is sometimes mixed with seams of quartz or jasper. The first Michigan iron used was produced from bog ore in various parts of the State. The shipments of ore has been as follows :

1853.....	1,445	1860.....	130,000
1856.....	11,595	1861.....	45,430
1857.....	26,184	1862.....	125,730
1858.....	31,135	1863.....	185,575
1859.....	65,679	1864.....	273,000

Or a total of 895,763 tons ore, equivalent to nearly 600,000 tons of iron. The total product last year was nearly 300,000 tons of ore. The indirect wealth produced by this great development of mining industry cannot be easily estimated, but we may instance Cleveland, which has arisen from it since 1855, in which there are already iron factories having an aggregate capital of \$3,000,000, giving wages to the value of \$1,080,000. The receipts there have been.

Of Lake Superior iron.....	106,429
From all other points.....	4,857
Total	111,286

Pittsburg manufactures, from this ore, her best varieties of iron and steel. Buffalo and Erie have added millions to their business by it. All the furnaces and rolling mills of the Mahoning Valley have sprung up since its discovery.

The introduction of this pure and rich ore has increased the iron making business west of the Alleghanies to an extent of which few are aware. Before introduction, in 1855, there were but ten blast furnaces in all the region which is now supplied with this ore. Of these three used charcoal and seven bituminous coal (smelting the native ores of Ohio and Pennsylvania), and the aggregate capacity was about twenty thousand tons of pig iron per annum. In the same territory are now fifty-five blast furnaces, of which twelve are charcoal, thirty-nine bituminous, and four anthracite coal, with an aggregate capacity of about 216,000 tons of pig iron per annum. Every one of these fifty-five furnaces uses the Lake Superior ore, some but to a small extent, while thirty-two use it exclusively.

It seems strange that Michigan herself is last to appreciate the importance of her vast iron interests. The immense extent of the district, the mountain masses of the ore, its purity and adaptation to the manufacture of the most valuable kinds of iron, and the immense forests suitable for charcoal render it by far the most extensive and valuable in the world for the manufacture of iron. Add to these prime facilities in abundance of capital and skilled labor, and channels of communication unrivaled, and we see no reason why the northern peninsula of Michigan should not become pre-eminently the iron district of the country. There is a great lack of furnaces in the Lake Superior region, as is evidenced by the enormous quantities of ore that are being shipped to ports down the lake, where the cost of smelting is greatly enhanced. Furnaces at the mines is the cheapest and best economy. Marquette is a natural iron city, and yet her furnaces are few. Detroit and Wyandotte lie near enough to become great manufacturing cities, and yet the total capital invested in this business in the two cities does not exceed \$2,500,000, and the annual manufactured product is not over \$3,500,000. Pittsburg, to-day, manufactures more of the Lake Superior iron than the whole State of Michigan. It has been urged against extensive iron manufactures in the Lake Superior region, that the supplies of timber would soon be exhausted. A single furnace in these iron regions, with a capacity of twenty thousand tons, will consume five hundred acres of heavily timbered land every year, or thirty-seven thousand cords of wood. With this ratio of consumption, and hundreds of furnaces to feed, it would require but a few years before the supply of fuel would give out. But it has lately been discovered that in all the area of the upper peninsula where the carboniferous limestone exists, there are indications of the existence of bituminous coal.

The coal fields of the southern peninsula possess an area of 12,000 square miles. The Jackson and the Corunna mines are already at work. The total receipts at Detroit last year being 34,355 tons. The produce compares favorably with the best bituminous coal in this country and Europe, as will be seen by the annexed table:

Where mined.	Specific gravity.	Vol. Matter.	Fixed Carb'n.	Ash.
Jackson, Mich.....	1.261	86.14	58.63	3.75
La Salle, Ill.....	1.237	89.90	55.10	3.00
Belleville, Ill.....	1.248	86.30	57.70	4.30
Cannelton, Ind.....	1.272	86.59	59.47	3.7
Pittsburg.....	1.020	82.95	64.72	3.2
Breckinridge, Ky.....	1.150	64.30	27.16	4.4
Grayson, Ky.....	1.871	69.03	14.26	21.6

Atkinson, Md.....	1,813	15.58	70.69	7.33
James River, Va.....	.....	32.57	58.79	8.64
Albert, N. B.	1,129	61.74	36.04	2.22
New Castle, Eng.....	1,256	81.50	67.65	0.85
Scotch Cannel.....	1,420	53.70	4.90	38.80

The Saginaw Salt, which five years ago was unheard of, produced in 1864 3,000 000 bushels valued at \$1,250,000. The whole eastern part of the southern peninsula north of a line drawn from Monroe to Granville contains inexhaustible reservoirs of the strongest brine. Salt can be sent thence to New York at a less price than the same can be furnished from Onondaga or Syracuse. Last year the produce reached 529,073 barrels, the value at shipping port being only 25c per barrel.

ARMY MORTALITY.

WHEN President Lincoln, on the 15th day of April, 1861, called for 75,000 militia for three months' service, the army of the United States had the names of about 14,000 men on its rolls. During the ensuing four years, 2,688,523 men were enlisted for the following periods of time :

For three months.....	191,983	For two years.....	43,113
For six months	19,076	For three years.....	1,950,792
For nine months	87,558	For four years.....	1,040
For one year.....	394,959		
Total.....			2,688,523

The records of the office of the Provost-Marshal-General show from what State, county or town these men came, and what became of each one. These records tell us that of this large number of troops, 2,408,103 left the army alive. Some of them deserted, a few were dismissed before their term of service expired ; a glorious band went home armless, legless, eyeless, through their patriotic endeavors to save their country from dismemberment. But the majority returned safe and sound to the place of enlistment, there to be mustered out for home.

But 280,420 men, good, true and loyal, sealed their patriotism with their blood. Death met them in every shape. Over 40,000 died on the field of battle ; 35,000 survived the shock of the conflict only to die of wounds, while 184,000 died of disease in tent or hospital, or by the way-side. To give the exact figures, 96,089 died of battle or of wounds, while 184,331 died of disease. This proves that the great mortality of war does not arise from the deadly bullet. It is the hardship of the campaign, the change of mode of life, the difference in climate, that rolls up the terrible record of dead. Two persons died of disease in this war for every one that fell from an enemy's weapon. Yet this percentage of disease is far less than that of other countries and other ages. In the Crimean war, seven-eighths of the mortality of the British troops during the entire campaign were due to disease, and one-eighth only to deaths from wounds received in action. In January, 1855, the month of the greatest mortality of that campaign, *ninety-seven per cent* of the entire mortality of the British troops resulted from disease. "At this rate," says Elliot, "to supply the loss occasioned merely by death, this army would need to be replaced by a new army of equal numbers once in about ten months."

The following tables show the causes of mortality in our armies during the whole war, and the arms of service in which that mortality occurred :

Arm of Service.	KILLED		DIED OF DISEASE		Total
	Officers.	Men.	Officers.	Men.	
REGULARS.					
Cavalry	23	284	18	470	75
Artillery	32	308	12	472	82
Infantry	102	1,298	53	1,807	1,960
Total	157	1,890	83	2,749	4,73
VOLUNTEERS.					
Cavalry	522	10,834	331	24,702	36,29
Artillery	126	2,585	99	8,725	11,53
Infantry	4,246	72,732	1,718	119,623	196,59
Total	4,894	86,151	2,148	153,058	246,23
COLORED TROOPS.					
Cavalry	4	131	1	883	1,01
Artillery	4	67	16	3,508	1,35
Infantry	162	2,629	73	21,820	24,64
Total	170	2,827	90	26,211	29,28
CAVALRY.					
Regulars	23	284	18	470	75
Volunteers	522	10,834	331	24,702	36,29
Colored	4	131	1	883	1,01
Total	549	11,249	350	26,055	37,85
ARTILLERY.					
Regulars	32	308	12	472	82
Volunteers	126	2,585	99	8,725	11,53
Colored	4	57	16	3,508	1,35
Total	162	2,960	127	12,705	15,94
INFANTRY.					
Regulars	102	1,298	53	1,807	1,96
Volunteers	4,246	72,732	1,718	119,623	196,59
Colored	162	2,629	73	21,820	24,64
Total	4,510	76,659	1,844	143,250	225,33
GRAND TOTALS.					
Whole number of deaths in Reg. Army.	4,879	Whole number of deaths in Cavalry.		36,90	
“ “ Volunteers.	246,243	“ “ Artillery..		12,54	
“ “ Col. Troops	29,298	“ “ Infantry...		24,64	
Total	280,420	Total		74,08	

From these tables it appears that 5,221 officers and 90,868 enlisted men were killed on the battle-field, or subsequently died of their wounds ; while 2,321 officers and 182,010 enlisted men died of disease. So that about one officer was slain in battle for about every 18 men, while only one officer died for every 10 men in the hospital. This excess of loss of life among the officers in battle is partly due to the fact that in battle they are expected to lead their men on ; and still more, it may be, that when sickness intervenes they have medicines, care, and nourishing food, that circumstances forbid to be given to the bulk of the army.

The number of white troops enlisted was almost exactly 2,500,000 men ; the number of deaths among them, 251,122 or one death out of 10. The number of colored troops was 180,000, of whom 29,298 died, or about one out of six. The death rate of the colored troops was therefore nearly double that of the white , but the death rate from disease alone was far worse than this. Out of every eight deaths among the white troops, three died on the field of battle, and five from disease. Out of every nine deaths among the blacks, one died on the field of battle and eight from disease. The negro, as Slavery has left him, feeble of will and with but little moral stamina, is less capable than the white man of enduring the physical trials of the military services.

The above tables show that the regular service is far safer, both on the battle-field and in the hospital, than the volunteer force. Out of the same number of troops of either force, seven volunteers would die to six regulars ; the mortality among the former was nearly 15 per cent greater than among the latter.

These army records give the precise number of men who died while in their country's service. It does not tell us of that great host who, dismissed at their own request for disability, went home to die. An examination of the pension records would partly supply this want ; but the full number of those who gave heir lives to their country can never be known.

GRAIN TRADE OF MINNESOTA.

A slip from the office of the *Winona Republican* gives some statistics of the grain trade of that town, and of the new State of Minnesota, from which we compile the leading statements. The rapid growth of wheat culture in Minnesota is approximately indicated by the following figures :

	Acres in Wheat.	Bushels harvested.	Proportion of tilled land in Wheat.
1859.....	124,792	2,374,415	34.45
1860.....	231,315	5,101,432	53.38
1865.....	400,000	10,000,000	62.00

The grain statistics of Winona give the following result :

	Bushels.
Received by railroad and shipped from elevator.....	6,656,000
Received otherwise than by railroad and shipped from warehouses.....	845,116
Total.....	2,501,116
Barrels of flour shipped 8,406, which, reduced to wheat, gives in bushels.....	42,080
Grand total of wheat and flour exported.....	2,543,146

The following table gives a comparative exhibit of the shipments of Wheat from this port for a series of years, commencing with 1859 :

Year,	Exports	Year.	Exports
1859.....bush	130,000	1863....bush	1,251,830
1860.....bush	405,000	1864.....bush	1,854,795
1861.....bush	993,133	1865.....bush	2,543,146
1862.....bush	1,203,161		

Besides Winona, the principal exporting towns in the State are as follows :

	Bushels.		Bushels.
Red Wing.....	1,298,639	Wabashaw	185,826
Hastings	948,405	Reed's Landing	65,549
Lake City.....	660,394	Other points, say.....	50,000
Brownsville	576,000	Total	4,411,878
St. Paul.....	326,560	Exports of Winona.....	2,543,146
Minneiska.....	300,000		

Aggregate exports from the State..... 6,954,519

The following partial comparison will show the rapid increase of the Wheat trade of the State :

	Bushels.		Bushels.
1859 ..	850,000	1865	6,954,519
1860.....	1,600,000		

The wheat now in store in the several elevators on the line of the Winona and St. Peter Railroad is as follows :

	Bushels.		Bushels.
Winona.....	75, 00	Evota	20,000
Rochester.....	50,000	Lewiston.....	15,000
St. Charles.....	25,000		
Total			185,000

In store outside of elevators in the foregoing places, except Winona, (estimated)..... 50,000
In warehouses at Winona, (estimated)..... 125,000
Other river towns, (estimated)..... 565,00

Total in store..... 925,000

In addition to the Wheat in store, there is still a very large quantity in the hands of the producers, awaiting an advance in prices. It is probably not an exaggeration to say that there is a surplus of at least 2 500,000 bushels in the State, to be shipped next spring. Previous to 1858, the breadstuffs consumed in Minnesota were imported.

TAXATION OF STOCKHOLDERS OF BANKS—ACT OF NEW YORK LEGISLATURE.

The following is a certified copy of the act passed by the Legislature of New York on the 23d of April of this year :

An Act authorizing the taxation of stockholders of Banks, and the surplus funds of Savings Banks.

Passed April 23, 1866.

The People of the State of New York, represented in Senate and Assembly, do enact as follows :

SECTION 1. No tax shall hereafter be assessed upon the capital of any bank or banking association organized under the authority of this State, or of the United States, but the stockholders in such banks and banking associations shall be assessed and taxed on the value of their shares

of stock therein; said shares shall be included in the valuation of the personal property of each stockholder, in the assessment of taxes at the place, town, or ward where such bank or banking association is located, and not elsewhere, whether the said stockholder reside in said place, town or ward, or not, but not at a greater rate than is assessed upon other moneyed capital in the hands of individuals in this State. And in making such assessment there shall also be deducted from the value of such shares such sum as is in the same proportion to such value as is the assessed value of the real estate of the bank or banking association, and in which any portion of their capital is invested, in which said shares are held, to the whole amount of the capital stock of said bank or banking association. And provided, further, that nothing herein contained shall be held or construed to exempt from taxation the real estate held or owned by any such bank or banking association; but the same shall be subject to State, county, municipal and other taxation to the same extent and rate and in the same manner as other real estate is taxed.

SEC. 2. Every individual banker doing banking business under the laws of this State, is hereby required to declare upon oath before the assessor the amount of capital invested in such banking business, and each one hundred dollars of such capital for the purpose of this act, and for the purpose of taxation shall be held and regarded as one individual share in such banking business, and such shares are hereby declared to be personal property. If such banker have partners he shall declare upon oath before the assessor the number of shares held by each of them in such banking business, ascertained as above provided, and the shares so held by any partner shall be included in the valuation of his taxable property in the assessment of all taxes levied in the town, school district, or ward where such individual banker is located, and not elsewhere; and such individual banker shall pay the same and make the amount so paid a charge in his accounts with such partners; and if such individual banker have no partners he shall be held to be sole owner of all the shares in such business of banking, and the same shall be included in the valuation of his personal property in the assessment of all taxes levied in the town, school district or ward where his bank is located, and not elsewhere.

SEC. 3. There shall be kept at all times in the office where the business of such bank or banking association, organized under the authority of this State or the United States, shall be transacted, a full and correct list of the names and residences of all the stockholders therein, and of the number of shares held by each; and such list shall be subject to the inspection of the officers authorized to assess taxes during the business hours of each day in which business may be legally transacted.

SEC. 4. Sections ten and eleven of chapter ninety-seven of the session laws of eighteen hundred and sixty-five are hereby repealed.

SEC. 5. When the owner of stock in any bank or banking association, organized under the laws of this State, or of the United States, shall not reside in the same place where the bank or banking association is located, the collector and county treasurer shall, respectively, have the same powers as to collecting the tax to be assessed by this act, as they have by statute, when the person assessed has removed from the town, ward or county in which the assessment was made; and the county treasurer, receiver of taxes, or other officers authorized to receive said tax from the collector, may all or either of them have an action to collect the tax from the assets of the sale of his shares of stock, and the tax on the share or shares of said stock shall be and remain a lien thereon till the payment of said tax.

SEC. 6. For the purpose of collecting such taxes, and in addition to any other laws of this State, not in conflict with the constitution of the United States, relative to the imposition of taxes, it shall be the duty of every such bank or banking association, and the managing officer or officers thereof, to retain so much of any dividend or dividends belonging to such stockholder as shall be necessary to pay any taxes assessed in pursuance of this act, until it shall be made to appear to such officers that such taxes have been paid.

SEC. 7. The privileges and franchises granted by the legislature of the State, to savings banks or institutions for savings, are hereby declared to be personal property, and liable to taxation as such in the town or ward where they are located, to an amount not exceeding the gross sum of their surplus earned, and in the possession of said banks or institutions; and the officers of such institutions or banks, may be examined on oath by assessors, as to the amount of such surplus; and the property of such banks and institutions shall be liable to seizure and sale for the payment of all taxes assessed upon them for said privilege and franchises.

SEC. 8. This act shall take effect immediately.

STATE OF NEW YORK,
Office of the Secretary of State.

I have compared the preceding with the original law on file in this office, and do hereby certify that the same is a correct transcript therefrom and of the whole of said original law.

FRANCIS C. BARLOW,
Secretary of State.

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THE
MERCHANTS' MAGAZINE

AND
COMMERCIAL REVIEW.

EDITED BY
WILLIAM B. DANA.

VOLUME FIFTY-FIVE,
FROM JULY TO DECEMBER, INCLUSIVE, 1866.

New York :
WILLIAM B. DANA, PUBLISHER AND PROPRIETOR.
NO. 60 WILLIAM STREET.
1866.

ALPHABETICAL INDEX

TO SUBJECTS CONTAINED IN THE

MERCHANTS' MAGAZINE & COMMERCIAL REVIEW.

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JULY, 1866.

PRICE WITH AND WITHOUT VALUE.

C. H. CARROLL.

I AM glad of the reappearance of your old contributor, Richard Sulley, in the pages of the MERCHANTS' MAGAZINE. In former times I have been indebted to him for good ideas in Political Economy, and I find much to approve in his article in the May issue, just received, which is courteous in criticism of the article on the Balance of Trade contributed by me to the February number. I think I shall be able to convince him of the correctness of the principle to which he objects, that money cheapened by mining, being capital, is profitably exported, when in natural excess, in exchange for other capital; and is thus a source of national wealth, like everything else cheaply produced for foreign commerce—that is to say, over and above the home demand. I ought to have said it is national wealth, as well as the source of it. Money is a simple commodity governed by the same law of value and exchange as all other commodities and all other capital.

In the present stage of political economy there is an unaccountable tendency among thinkers to look beyond the facts experience has established (which constitute true science) into the regions of speculation and obscurity for truth that lies at our feet. It seems to be given over, at present, to metaphysical abstractions and scholastic subtleties that appall practical minds, and render the science of little or no use in the conduct of government or of the business of life. By this sort of treatment two points of great national inexplicity have been most thoroughly *obfuscated* namely, *money* and *value*; and Mr. Sulley, I think, has not altogether escaped the occult influence of such teaching.

He says:—"The opinion that money (gold and silver) is capital, and that we get value for it when it is exported in the usual course of trade,

is not peculiar to Mr. Carroll, although it has been incidentally combatted in the pages of the *MERCHANTS' MAGAZINE*. Nevertheless all the claim it has to be considered capital, arises from its powers of saving labor by facilitating exchanges; but paper money, where it *has* value, is just as good as gold; and the only reason why gold is preferred for exportation is because its value is intrinsic, and therefore universal, while that of paper money is only imputed, and therefore local."

This argument is founded upon the abstraction that money is merely a medium of exchange, and everything professing the quality of a medium of exchange is money: hence paper, stamped or issued by government, or by corporations, is money. On this theory overvalued tokens are money and wealth, because money is wealth, and the Spartans were as rich with their iron currency as if they had earned and possessed its weight in gold. But money is no such abstraction. It is not merely a medium of exchange, but also an object of exchange, the product of labor and capital, from which it derives its attribute of value, and by reason of which it is the equivalent of other products of labor and capital. Without this equivalence there is no money, and with it a thing is not money, unless it is acknowledged and accepted as such in absolute payment of intrinsic value, by the commercial world.

Money was discovered or invented in the unknown past: its use and its meaning were established before the records of history, and the common sense of mankind determines what is money to day with more accuracy than the most profound disquisitions of the most learned political economists. Indeed these learned men acknowledge the corruption of the word, and concede the argument to common sense, when they use the term *real money*. What is not real money? Why, spurious money—no money at all. And such is a currency of debt, which expels money, and is an incubus upon the capital of the country. It pays nothing, but requires continually to be paid in money or in other capital, and when this requirement becomes urgent, its issues assume the position of preferred creditors, take possession of the money and floating capital of the public, to the extent of their requirement, and plunge other debtors into insolvency and ruin. There is nothing of this nature in money.

"But," Mr. Sulley says, "paper money where it *has* value is just as good as gold." Let me assure him there is no place where it *has* value. The element of value does not exist in a paper currency, nor in any other description of debt whatever. The value to which all debt relates is the property appropriated to pay it. There cannot be two values embracing one and the same thing; one in an estate and another in the deed of conveyance which certifies its ownership, or in the instrument of mortgage upon it. The term "paper money" is a ridiculous sophism; there can be no such thing. The dollar, which in this country the maker of the paper promises to pay, is 23.22 grains of pure gold; the gold is the money, not the paper; and the value is in the gold, not in the paper. Gold being acknowledged and accepted as a common equivalent of other values all the world over, an equivalent of gold in other capital is capable of discharging an obligation to pay gold. The notion that there is the value of a dollar in a memorandum of a contract—a written promise to pay a dollar—is the delusion upon which rests the whole scheme of factitious credit miscalled "paper money." The amount of bank notes

as such, is of no consequence in the consideration of this question. The bank, having no value to lend, lends promises to pay dollars of value which have no existence, and whether it inscribes this factitious credit on a piece of loose paper for circulation, or on a book of account to be circulated by check, makes not the slightest difference in principle or effect. Hence deposits in bank, subject to check at sight, are currency as completely as bank notes deposited in one's pocket. Naturally, the same proportion of currency as of capital will be at rest, in the long run, waiting demand somewhere.

In what is called the *credit system*, the currency is based on commercial notes, by which the trade of the country, that with a currency of money would be a cash system, is forced through debt and credit. Under the credit system the same value in raw material, or in the process of manufacture, is frequently sold several times over on credit. The amount of needless debt thus created can scarcely be conjectured; but the daily settlements at the Clearing Houses show that it is enormous. Does Mr. Sulley, or does any one, imagine that this vast debt, whether needless or otherwise, is *value* to be added to the inventory of the property of the country? This would be necessary, on principle, if there were value in a paper or debt currency. I do not understand the significance of the term "imputed value," unless it means spurious value. It seems to me there must be either value or no value in every thing. Debt circulates in its evidences, not for the value it is, but for the value it promises.

Mr. Sulley appears to have overlooked, or perhaps does not remember, an explication of this thing called "paper money," showing the fallacy of the notion that it is as good as gold, that, without reference, I am sure I have furnished in some one or more of my contributions to this Magazine. Let me repeat the idea in another example. It happens that the aggregate price of the property of this country, and doubtless of other countries, is always about twenty-five times the sum of the currency. Let the volume of currency vary as it may, the price of the whole property in due time rises and falls accordingly, not equally, but in the aggregate. Things in the most immediate request rise first, and in the greatest proportion. If one thing does not advance in due proportion, something else advances more than the due proportion, and thus the currency is duly employed and the average completed. The circulating capital is in the ratio, approximately, of 10 to 1; the fixed capital 10 to 1; and the unproductive and enjoyable wealth, which is not capital, is as 5 to 1 of the currency, making 25 to 1 in all, as before mentioned. This is an approximate calculation that is, perhaps, as nearly correct as an estimate of the kind can be made. At all events, it is sufficiently accurate for my acquirement.

In the last census year, 1860, the currency of this country, including California, amounted to about \$640,000,000; consisting of say \$436,000,000 net liabilities of banks, payable on demand, i. e., notes and deposits and balances due to other banks, deducting specie reserves, \$4,000,000 of counterfeit currency, and \$200,000,000 of money in and out of bank and free of hoards. Had this currency been money exclusively the wealth of the country would have been in money value as stated in the census, \$16,000,000,000, divided as follows:

<i>Circulating Capital</i> , comprising money and all value seeking to be exchanged.....	\$6,400,000,000
<i>Fixed Capital</i> , comprising property employed for purposes of gain not seeking to be exchanged	4,400,000,000
<i>Unproductive Wealth</i> , comprising money in hoards, houses, furniture, &c., in use by their owners, and pleasure property <i>per se</i>	2,200,000,000

But money proportionate to other capital was absent to the amount of \$440,000,000, the value of the circulating capital was, therefore, but \$5,960,000,000, and of the total wealth but \$15,560,000,000. There is a question of equivalence here that invites discussion, but which is not essential to our present argument. My belief is that because of the deficiency of \$440,000,000 in the circulating capital there was a deficiency of the other two classes of wealth in the same proportion, because the equivalent of fiction can be nothing but fiction.

Let us now assume, for argument's sake, that this currency of \$640,000,000 consisted of gold and silver exclusively, there being no such thing as fictitious credit to circulate in either notes or checks. It is obvious, then, that the buying and selling of goods must have been for cash, otherwise the currency could not be employed; and the borrowing and lending of capital would have been done by and through the banks instead of by buying and selling goods on credit. At this point of pure money currency we will suppose that we begin the credit system of making currency through banking on commercial notes. This requires the buying and selling of goods on credit to produce the notes for discount; and suppose we pursue this plan of running in debt to each other for existing capital, and getting notes discounted until we have an aggregate of \$640,000,000 of "deposits" to our credit in bank, over and above all the deposits existing before. This gives us \$1,280,000,000 of "money," instead of \$640,000,000, or double the "money" to circulate the same capital; and the price of the whole property necessarily rises from \$16,000,000,000 to \$32,000,000,000! Where does this additional \$640,000,000 of money come from? and where does the additional \$16,000,000,000 of property come from? There is no such thing as either. The whole addition is pure fiction. There is no value in the money or currency above \$640,000,000, and no value in the whole property above \$16,000,000,000; all the rest is price without value, the merest moonshine in the world. That which costs nothing to any one is like air and solar light, no value and no wealth.

But the effect of this spurious money, while it is interchangeable with real money, is to reduce the value of gold and silver, locally, one-half. Two dollars possess no more purchasing power than one possessed before, and of course the export demand of commerce is changed from our merchandise to our money, because the local depreciation of its value here has no effect upon its value abroad until the money gets there and enters into general circulation, when it becomes merged in the vast volume of currency in all other commercial countries, and has scarcely an appreciable effect on the general value of the money of the world. Not a particle of business can be done with the double volume of currency more than was done with half the amount before, only what is done will be at double the natural price, and people will run in debt at double the natural price, so long as the double volume of currency can be maintained, which is longer, under specie payment, than Adam Smith with his disciples have supposed. How long, depends upon the quantity of gold and silver in the country to begin

with, and support the drain, and upon the unreasoning confidence of the public in the "paper money." If people generally do not call upon the banks for payment, the banks will supply additional currency by new discounts as fast as the money can be exported, because it is for their interest to do so, as they get additional interest on every additional fictitious dollar they make. I censure not them, but their system, for this.

The principle of this currency is that the bank lends you a contract to pay money and value that have no existence, and throws upon you the obligation to meet that contract, under bond and security, to provide the institution with funds to discharge the same when it shall be called upon to do so. Of course the loan is made upon some specified time, but that time is arranged upon the principle stated, that the bank shall be put in funds to meet the impossible contract, which in the end is inevitable bankruptcy somewhere; since, the moment the banks withdraw any portion of their currency, they contract the measure of price, leaving the debts made by the old measure to be discharged by the new, under which the assets fall in price and become insufficient to discharge the obligations resting upon them. The experience of England with the financial crisis, while I write, in May, is a practical illustration of this pernicious and preposterous principle. The Bank of England is the mother of it, and it is astonishing that the accomplished merchants and bankers of England do not see the impossibility of meeting the contracts she impose upon them.

I think I have said enough to meet Mr. Sulley's remark, that "where paper money *has* value, it is just as good as gold." I hope he will see that it has no value under any circumstances. The effect of this spurious money upon the capital of the nation is the loss of every dollar of gold or silver shipped under the degradation of the value of money which it causes, because the imports are advanced in price by that degradation, in common with all other descriptions of capital, and it is the amount of the degradation that is sent abroad in gold and silver. Real money is thus paid to foreigners for a false price. This important practical result, which all the metaphysical economists have overlooked, I am happy to see that Mr. Sulley understands; but I do not see how so good a thinker can imagine that the same result follows the local increase of gold, or that a paper currency is even capital in the hands of an individual or of the community. "Out of nothing, nothing is generated. This," says De Quincey, "is pretty old ontology." And when nothing is substituted for capital in gold exported, it is very clear that the capital is lost, which would not be the case if the paper were capital.

The unsophisticated truth is that the individual who accepts a bank note for his goods parts with his capital for that which has no value, and is therefore no capital. He lends his capital on the note, and is no more paid for his goods than if he had accepted his customer's note for them. He cannot thus eat his cake and have it too. He cannot part with his capital and possess it at the same time. He it is who lends capital in this business, and not the bank; and he it is who pays the interest which is included in the price of whatever he purchases. When he wants to recover his capital, he parts with the paper promise and gets value for it; he is then paid in the value received for the value delivered, and not before, and the exchange which was only half way made before is then complete. Should the bank happen to burst while he holds its note, I think Mr.

Sulley will see that in holding the note he does not hold his capital, and is not paid. Hence the note is not and never was capital.

Mr. Sulley's error, or what I conceive to be his error on this point, lies in the following statement. I say, what I conceive to be his error, for I am open to conviction, and always intend to give heed to respectful witicism, such as I find in the writings of Mr. Sulley :

"Money, no doubt, whether of paper or the precious metals, is capital in the hands of individuals; but a larger or smaller quantity makes no difference in the capital of a nation; and if it be of gold, and is exported from excess, the nation will get nothing in return for it. If it increases in a greater ratio than other commodities, it must of necessity depreciate, as no condition of cheapness will induce an adequate consumption. This has been sufficiently shown by M. Chevalier, both from French and English statistics. It must therefore be exported in price *without value*; that is to say, without any return being made for it in the imports. Consequently to the nation that produces the precious metals, while at the same time it produces large quantities of other commodities for exportation, the production of the metals will be just so much loss. This is the evil of a *fixed standard of value*."

In making these remarks, Mr. Sulley overlooks the fact that all values are reduced, specially, by an increase of supply. The wealth of the world accumulates in this manner. What if the crops of grain are doubled this year in this country? Will not the bushel of grain fall in value as well as in price? That is to say, will it not exchange for less of commodities in general as well as for less money than before? Obviously, any exported excess of grain commands desirable capital in exchange, which is just so much added to the wealth the nation possessed before that excess was produced. And why is not this principle applicable to gold and silver? The miner who digs gold improves his fortune like the miner who digs iron, and as much as he adds to his own wealth by his labor he adds to the wealth of his country. But, be it observed, the gold must be produced in excess to supply the quantity exported; it must not be merely degraded in value to the exporter's limit by adulteration with "paper money," since by such adulteration and degradation the quantity exported is drawn from the precreated stock and lost, because nothing but debt remains to balance the value thus degraded and sent abroad. In the one case, there is the same quantity of gold left after the shipment of the excess as the nation possessed prior to the increased production and the capital returned for the shipment beside; in the other, a less quantity of gold by the amount of the shipment and no more of other capital to compensate the loss.

The French economist, Frederic Bastiat, says: "Utility is increased as we succeed constraining nature to a more efficacious coöperation. So that we may say that mankind have as many more satisfactions, as much more wealth as they have less value." In other words, mankind, by availing themselves of natural forces more and more, continually have an increase of utility, satisfactions, and wealth, at diminished cost.

Where nature furnishes the most efficacious co-operation in the mining and transportation of gold, it can of course be supplied at the lowest value, and if we can produce gold and exchange it for iron and cloth, and other utilities, at less cost of labor and capital than we can directly

produce the utilities themselves, we have "as many more satisfactions, as much more wealth, as we have less value." In what respect, then, is it less advantageous to procure and possess cheap gold than cheap capital of any other description? *provided always we have the gold*, and not an incubus upon capital in its place to cheapen it.

Jean Baptiste Say notes a striking example of the increase of wealth by the reduction of value in the invention of the art of printing. "So that where there was formerly one copy only of a literary work (manuscript) of the value of 60 francs of present money, there are now a hundred copies, the aggregate value of which is 300 francs, though that of each single copy be reduced to 1-20th." That is to say, the reduction of the money value, by the increase of supply from 60 francs to 3 francs per copy, produces in this commodity a five-fold sum of wealth. There has been an abundant increase of wealth of this description by cheapening production since Say wrote in 1820.

"Gold and silver," says Adam Smith, "whether in the shape of coin or of plate, are utensils, it must be remembered, as much as the furniture of the kitchen. Increase the use of them, increase the consumable commodities which are to be circulated, managed, and prepared by means of them, and you will infallibly increase the quantity; but if you attempt by extraordinary means to increase the quantity you will as infallibly diminish the use, and even the quantity too, which in those metals can never be greater than what the use requires."

Money cheapened by mining is, therefore, a cheap utensil and cheap capital, as wheat cheapened by tillage is cheap capital, and any normal excess of either over the home demand is equally a gain of national wealth. But it is only in its function of capital, the subject or object of commerce, that the increase of money is of the least consequence. As the instrument of commerce, the measure of price, the most limited quantity consistent with convenience in the coin is even better than a greater quantity, because lower general prices are thereby secured, and, other things being equal, the nation or community having the lowest general prices, in other words, the most valuable money, will have the advantage in the commerce of the world. But the two functions of money cannot be separated, any more than the beauty of the diamond can be separated from its worth, and the proper and only profitable course is to treat it as we treat other capital, accumulate as much as possible, and exchange the surplus for products of greater value.

In regard to Mr. Sulley's remark that a fixed standard of value is an evil, I suppose he refers to the adoption of an irregular quantity of metal for the unit of money, like our dollar, which is an unequal fraction of a Troy ounce of gold, the French franc, which is out of the line of the decimal notation of the Empire, the English sovereign, or pound sterling, and the various units in use in commercial countries, which are "names indicative of nothing whatever," as to the established and ordinary weights employed in commerce. Unquestionably this is an evil. I have endeavored to expose it in your pages; but I do not see that it amounts to a *fixed standard of value*. I do not find, and cannot conceive of such a standard in money or in anything else. In the words of Mr. De Quincey: "An object to stand still when all other objects are moving, showing how much of the change has belonged to one object, how much to the others, or

whether either has been stationary: this is a thing we shall never have; because no such qualification can arise for *any* object—nor can be privileged from change affecting itself.” Let money change as it may, it is the legitimate price of things. I prefer, therefore, to call it the *measure of price*. When price is not money value, when it is made by a measure which is not money, it is illegitimate and false. There is a ground of value in the equivalence of labor and capital, to which objects must be referred in money, however much it may change in itself. To that true price is the equivalent of money value.

It follows that the rise of general prices, which results from the actual increase of the precious metals, is not, as Mr. Sulley imagines, *price without value*, but *price with value*, which, relating to our foreign commerce, is returned in the imports. And the export of gold or silver under this normal condition of things is just as profitable to the nation as the export of wheat or tobacco, or any other of the hundred commodities annually sent abroad, whether they are the direct, or the indirect product of the industry of the country.

Twenty dollars is the price of a barrel of flour to day for my family use. What sort of dollars? Not such as are produced by labor and capital—not dollars of *value*. If we had possessed twenty such dollars for such an exchange, probably twelve of them would have gone abroad long ago, and returned the value of a barrel and a half of flour of the same quality more than the nation possesses at present in its capital. The dollars of to-day are made by the scratch of a pen; these are inscribed as a “deposit” when no dollars are deposited. They are not dollars of value, because they cost nothing. They are dollars of *price*, and the strongest motive which actuates man in society—self-interest—is involved in their further and unlimited increase. Certain men in corporations are privileged to make and take interest on such dollars as money. Do you suppose they will be checked in this business by the limitation of the issue of bank notes to \$300,000,000? Not in my opinion. When the barrel of flour costs \$100, as it will in time if the present financial system continues, perhaps the folly of the system may be discovered, and suffering among the industrious classes lead to its suppression. Already the bank deposits amount to \$670,000,000, including those due by banks to banks, while the notes are but \$250,000,000.

It is an immense argument in favor of the natural resources of this country, and the untiring energy of the people, that the nation is not ruined by its political economy in raising prices against itself by tariff, and, especially, by creating prices without value.

REFORM IN ENGLAND.

Now, that the question of reform is being discussed with so much spirit in England, and the late action of Parliament indicates the probable success of the measure proposed by Government, any facts with regard to the condition of the elective franchise and the changes proposed become of interest to us. The key note of the present reform movement was struck on the last night of the great debate in April. When Mr. D'Israeli denounced the bill as an innovation of American principles, and Mr.

Gladstone instead of repelling the charge, virtually admitted it, and pronounced a glowing eulogium in favor of democratic progress and reform. The measure in question, however, is chiefly important as an indication of the gradual progress towards liberalism. The leading features of the bill are : first, it proposes to reduce the present £50 county franchise to a £14 occupation, with or without land. This change, it is calculated, would admit 172,000 persons, chiefly of the farming and middle classes. Second, copy-holders and lease-holders in Parliamentary boroughs are to be placed in the same position as freeholders. Lodgers paying £10 a year for apartments, and persons having for two successive years a sum of £50 to their credit in a savings bank, are entitled to vote in boroughs. This addition is expected to add 24,000 to the electoral body. Third, the household franchise in boroughs is to be reduced from £10 to £7, and a class known as "compound householders," or persons whose taxes are paid by the landlords, are to be permitted to vote. This change is expected to add 204,000 to the constituency. Mr. Gladstone calculated that these clauses would, in the aggregate, add 400,000 votes to the electoral list, one-half of whom would be workmen. The correctness of the latter estimate was subsequently questioned by Mr. Bright, who gave apparently reliable data in support of his position, that the proposed changes would operate chiefly in favor of small traders and others, and that not more than 116,000 workmen would be added to the number of voters.

It is not, however, our purpose to discuss this government measure, but merely to give some statistics prepared from the English Blue Book, recently issued, bearing upon this question of reform.

"The first result shown is curious and satisfactory, and to most persons unexpected. One-third of a century has elapsed since the first Reform Bill, and during that period the number of borough electors has increased in a much greater ratio than the population ; showing that virtually a sort of self-acting lowering of the franchise has been going on, by the gradual rising of rents and an increase in the numbers of those who can afford to live in £10 houses. Thus, between 1832 and 1866 the borough population has increased just eighty per cent., and the number of electors on the register in precisely the same proportion ; but as the freemen and scot and lot voters have been gradually dying out, the number who are on the register in virtue of a £10 occupancy has more than doubled—it has increased at the rate of 102 per cent. In round numbers, (and it is with such only that we can deal at present), more than one-twentieth of the entire population of Parliamentary boroughs are on the electoral list, or one-fifth of the adult males. If we analyze this return still further, we shall find that in eleven of the largest manufacturing towns of the North, whence the chief demand for an extension of the suffrage proceeds, the number of electors on the register has increased since 1832 not less than 178 per cent., while in the five metropolitan boroughs (excluding the City) the increase has been 217 per cent. In counties, as well as in towns, the number of electors has more than kept pace with the population, the former having increased 46 per cent. and the latter 33 per cent. ; but whether the augmentation is chiefly among freeholders or £50 tenants we have no means of ascertaining. The second result brought out will astonish the world still more. It appears that not less than 26 per cent. of the actual borough electors (or 128,000 out of 489,000) are *bona*

vide working men, men of the *wage-class* and supporting themselves by daily labor; and that of these, 108,000 vote not as freemen but in virtue of a £10 occupancy. The genuine ten-pounders among the class of journeymen mechanics, artisans, and handicraftsmen, constitute already 22 per cent., or nearly one-fourth, of the entire borough constituencies. Certainly few persons were aware of this startling fact till we announced about a fortnight since that it would turn out thus. But this table B shows further that the working classes constitute, in the metropolitan boroughs, one-sixth of the Finsbury, one-third of the Lambeth, one-fourth of the Marylebone and Tower Hamlets, and one-half of the Southwark constituencies. And if we look at the manufacturing towns we find the following proportions. The working classes constitute of the entire constituency, in—

Birmingham.....	about 20 per cent.	Newcastle.....	about 23 per cent.
Bolton.....	" 21 "	Salford.....	" 34 "
Ashton.....	" 19 "	Sheffield.....	" 26 "
Lancaster.....	" 46 "	Wolverhampton.....	" 24 "
Leicester.....	" 40 "	Wigan.....	" 23 "
Manchester.....	" 27 "		

It is remarkable, however, that the Yorkshire towns are far less fortunate in this respect than the Lancashire ones; Leeds, Halifax, Bradford and Huddersfield showing only 7, 10, 8, and 12 respectively, and only averaging about *ten* per cent. Return E enables us to calculate roughly the numbers who would be added to the borough constituencies by various rating and rental qualifications. We will consider only two of these. The number of male occupiers rated at £6 upwards are 806,000; but as nearly 30 per cent. of those who *might be* on the register are for sundry reasons, such as non-payment of rates, change of abode, &c., excluded from it (639,000 £10 occupiers only giving 452,000 registered electors), a £6 rating would only give 566,000 actual voters, or 114,000 more than at present—an increase of 25 per cent. By a similar calculation, a £7 rental qualification would add 148,000, or 32 per cent. A £8 rental would add 236,000, or 52 per cent. But either change would operate most unequally in different towns. Thus, a £6 rating in Manchester would, as far as can be calculated, raise the constituency from 21,000 to 26,000; in Leeds it would raise it from 7,217 to 9,373; in Halifax it would affect the numbers much less. Usually, a £7 rental qualification would add a *third*, and a £8 a *fourth* to the existing constituencies; but in Birmingham an £8 rental franchise would apparently raise the numbers from 15,000 to 27,000. It is, however, impossible to say how these results might be modified by any legislation bearing on the numerous cases—from a third to a half of the whole—where the rates are paid by the landlord. As a rule, the "rateable value" of a house is about 17 per cent. below the "gross estimated rental."

With regard to counties, the effect of the various suggested changes may be thus stated:

Total electors now on the Register	542,000
Number who are electors in right of a £50 occupancy.....	117,000
Number who would be added by a £20 occupancy franchise.....	94,000
Additional number in case of a £15 occupancy franchise.....	45,000
Additional number in case of a £10 occupancy franchise.....	75,000
Entire number who would be added by a £10 tenant franchise.....	214,000

In other words, a £10 tenant-at-will clause would add just 40 per cent to the existing countituencies, and a £20 clause only 17½ per cent. If a *rating* franchise in lieu of a rental one were adopted for the counties (of which there is some intimation), a £10 limit would add about 230,000, and a £15 limit perhaps 150,000. But this is conjectural. It is understood that a savings bank qualification is to be introduced, and some returns have been presented to Parliament along with the electoral statistics, to enable us to judge of the effect of such a proposal. From them it appears that a qualification based upon the having had £50 in a savings bank for one year would give the franchise to 97,000 adult males. If two years were required, the number would be only 87,000. In either case about 30,000 of these would, it is estimated, belong to the working classes. Now the facts developed in these tables are remarkable; and it is still more remarkable that they all point in one direction. The following conclusion from them seem irresistible, unexpected as they are:—1st. That the electoral franchise is gradually extending itself by a natural operation, and on the whole at a pretty rapid rate—much more rapidly than all events than the population. 2nd. That already *one-fourth* of the entire borough constituency of England and Wales consists of working men, and in several towns considerably more. 3rd. That a £6 rating or an £8 rental qualification would apparently add about 25 per cent to the existing number of borough electors, and that most of these new men would belong to the working classes; so that in some towns either measure would give the *command* of the representation to those classes. 4th. That a £50 savings bank franchise would admit nearly 100,000 electors, of whom *one-third* would be working men.”

The following is a return of the male occupiers at specified rentals:

			Rental.	Rateable Value
Male occupiers at £4 and under £5.....			108,405	177,530
“ 5 “ 6.....			131,762	135,634
“ 6 “ 7.....			130,293	49,939
“ 7 “ 8			94,044	30,617
“ 8 “ 9.....			69,147	65,268
“ 9 “ 10.....			48,209	43,612
“ 10 and over.....			639,043	530,585

To the rateable value column should be added the occupiers at £6, amounting to 55,666, which would make the number at £6 and under 27,105,605.

The return for the counties is as follows:—The number of male occupiers of a house or other building with or without land in counties was at the rateable value of £10 and under £12, 47,268; at £12 and under £15, 53,885; at £15 and under £20, 60,903; at £20 and under £50, 125,489. Total at £10 and under £50, 287,545; at £12 and under £50, 240,277; and at £15 and under £50, 186,392. The number of electors on register 1864-5 as £50 occupying tenants was 116,860; the number of male occupiers at gross estimated rental of £50 and upward was 155,847; and the total number of electors on register 1864-5 was 542,633. The population of counties in 1831 was 8,689,277, and in 1861, 11,427,655.

Regarding Birkenhead, Chester, Manchester, and Liverpool, the following statistics are given: Birkenhead: Voters, 4,563; actual number of persons who were under description of mechanics, artizans, and others,

supporting themselves by manual labor, 2,065. Chester: Voters, 2,274; £10 occupiers, 361; freemen, 653; mechanics, artizans, &c., supporting themselves by manual labor, 987. Liverpool: Voters, 20,618; £10 occupiers and freemen, or scot and lot voters, Potwallers, or other ancient right qualifications, 381; mechanics, artizans, and other persons supporting themselves by manual labor who have a vote, 2,680. Manchester: Voters, 21,542; mechanics, artizans, and other persons supporting themselves by manual labor who have a vote, 5,822.

In table A we find that the population of the boroughs in England and Wales in 1831 was 5,207,520. In 1865-6 it is estimated at 9,326,709, showing a net increase of 4,120,000. The total number of electors on the register of 1832-3 was 282,938; in 1865-6, 514,026, including double entries; but not including double entries, 488,920. The net increase of electors on register is 231,628. The number of electors who voted at the last general election was 280,793, including in some cases the votes recorded, when the number of voters could not be given.

It also appears that the total number of freemen on the register 1832-3 was 63,481; on the register 1865-6, 41,041, showing a decrease of 21,840. The total number of scot and lot voters, &c., in 1832-3, was 44,738; their number now is 7,837, a decrease of freemen, scot and lot voters, &c. is 57,741.

As to the number of electors coming within the description of *mechanics, &c., supporting themselves by daily manual labor*, there are 108,293 among the £10 occupiers; 20,018 among the freemen; 2,348 among the scot and lot voters—the total being 130,664. Deducting 2,061 for those who are on the register in respect of more than one qualification, the actual number of electors who come within the description is 128,603.

In the borough of Liverpool the gross estimated rental in 1851 was £1,680,824; the present, £2,655,838, showing an increase of £975,064. The rateable value in 1856 was £1,527,831; the present £2,402,584, showing an increase of £874,753. The number of male occupiers was at a gross rental of under £6, 1,385; £6 and under £7, 3,152; £7 and under £8, 5,245; £8 and under £9, 5,925; £9 and under £10, 4,737; £10 and over £40,079.

THE IMPERIAL MEXICAN RAILWAY.

Whatever may be said for or against the existing Imperial Government of Mexico, considered in the light of political philosophy, one thing at least the practical good sense of mankind will sooner or later credit it with; that it has been the first government ever established in Mexico which has extended a systematic and efficient protection to great works of internal improvement.

The question whether the true and lawful Republican authority in Mexico resides in the person of Benito Juarez, at Chihuahua, or in the person of Gonzales Atega, at El Paso del Agnila, or in the person of General Ogazon, at some point just now not clearly ascertained, is one which we do not profess to discuss. But the fact that the current month of June is destined to witness the opening of nearly one hundred miles of railway communication between the City of Mexico and the Junction of Apizaco, on the way to Puebla, is, to say the least of it, quite

as important to the commerce and the interests of mankind ; and it is but fair to the capitalists and the contractors who, acting under the authority of Maximilian, have achieved this result, that some notice should be taken in foreign countries of the resolution and the skill with which they are pushing forward to completion the first grand steamhighway of Mexico.

The "Imperial Mexican Railway Company" was formed in September, 1864, for the purpose of carrying out the project of a direct communication by steam between Vera Cruz and the capital, originally conceived, many years ago, by one of the few really enterprising natives of Modern Mexico, the late Don Manuel Escandon. The project of Escandon was arrested in its development by the fearful political condition of the country. Since five Presidents during the ephemeral rule offered the project a support which they never made good ; and when the present company was formed, under the auspices of the Empire, there existed in Mexico only about fifty miles of railway, divided between the State line, which running out of Vera Cruz terminated at La Soledad, at which place the famous convention of 1862 was signed between Juarez and the European Allies, and the still shorter line which, running out of the City of Mexico, terminated at Guadalupe, the "sacred mount" of Mexican Catholics in the Loretto of the Indian populations in and around the capital. A beginning had thus been made at both ends, but between there intervened a vast distance of nearly 300 miles, over which the most important traffic of the country, between its chief city and its most flourishing seaport, had to be carried on over an ancient and dilapidated Spanish road, climbing mountains and sinking into gullies, and so tremendously difficult of travel, even by the heavy wagons and the indefatigable mules of Mexico, that the average cost of transportation from Mexico City to Vera Cruz has long ranged in the neighborhood of *forty dollars* per ton. That, in spite of these difficulties and the enormous consequent expense, a constant demand existed at the City of Mexico for the costliest and most varied cargoes of European and American goods which could be imported into Vera Cruz, was a sufficient argument of the results possible to be achieved by the construction of a through line of railway. This, with other arguments, being urged in London by the leading capitalists of Mexico, the "Imperial Mexican Company" was finally formed at the time we have mentioned above ; the Government of Maximilian offering protection to the roads, and a handsome contribution towards defraying their cost. The contracts for building the road, 300 miles in length, were given out originally to Smith, Knight & Co., of London, by whom they were afterwards transferred to Crawley & Co., another well-known English firm. The line of the proposed road was surveyed and laid out throughout its entire length by one of the most distinguished of American railway engineers, Col. Andrew Talcott, and on the 13th of February, 1865, Mr. Wm. Lloyd, the experienced constructor of the most difficult mountain railways of South America, acting as Director-in-Chief under the contract with Messrs. Crawley & Co., made a commencement of the railway at the point of greatest difficulty, near the Cumbres, or mountains of Boca del Monte.

The road at that time had been carried on from La Soledad to Paso

del Macho, a point 65 miles distant from Vera Cruz, at which, during the last year, a small town of more than 2,000 inhabitants has sprung up, with schools, hotels, a railway station, and all the other evidences of a state of progress and civilization which we find germinating along the path of the railway in the expanding regions of our own Western domain.

To appreciate fully the progress made since that date, of which progress the opening of the line between Mexico and Apizaco is the immediate and striking proof, it is necessary for the reader to bear with us while we sketch out for him hastily the enormous, the literally enormous difficulties in the way of this gigantic railway enterprise.

As the crow flies, Mexico City lies at a distance of about 200 miles from Vera Cruz. But while Vera Cruz is seated on the edge of the ocean, Mexico City is situated on a height of no less than 7,340 feet above the sea-level. Had it been found practicable to build a railway of uniform ascent from Vera Cruz to Mexico, therefore, it would have been necessary to give that railway an ascending incline of no less than $36\frac{1}{2}$ feet per mile, a piece of engineering work which might well appal the inexperienced and give the most experienced "pause." But even this was not practicable. Between Vera Cruz and Mexico a point must be passed much higher than the elevation of Mexico itself. The country which intervenes between the two may be described as made up of two great plateaux, united by an inclined plane—the lower plateau averaging about 700 feet, and the upper about 8,000 feet in elevation above the sea-level. Between these two plateaux is a distance of about fifty-five miles, which distance is broken up into lofty and rugged chains of mountains called in the country Cumbres, which form the eastern flank of the upper plateau. The width of the lower plateau itself is just about equal to that of this intervening space, or fifty-five miles; and consequently, the ascent to the level of the upper plateau had to be accomplished within a distance of 110 miles from the coast, a feat absolutely without parallel in railway experience, and the proportions of which will be more fully comprehended when we remember that in traversing the lower plateau which takes the road over one-half this distance, or fifty-five miles, the engineers reach an elevation of only 1,500 feet, leaving them to master a further elevation of nearly 7,000 feet within the succeeding 55 miles to the crest of the Cumbres above spoken of.

Here, then, was the problem of the railway, to accomplish an ascent of 6,540 feet in 55 miles, corresponding to 119 feet per mile, or to 44½ feet in 44½ feet throughout the whole distance.

The following table of the severest ascents heretofore known in railway engineering will give the most accurate idea possible of the task imposed upon Colonel Talcott and M. Lloyd.

Ascent.	Incline.....	Railway.	Feet per mile.	
The Giovi	Turin & Genoa, Italy.....	147 for 6	miles.
The Semmering	"	Vienna & Trieste, Austria.....	113 for 12½	miles.
The Chanarcillo	"	Copiapó, Chili.....	196 for 13	miles.
The Tabón	"	Valp. & Santiago, Chili.....	120 for 12	miles.
The Alleghany	"	Baltimore & Ohio, U. S.....	117 for 11	miles.

But even these figures do not fully set forth the extraordinary nature of these great works in Mexico; until we take into the account that whereas the most abrupt ascent ever before achieved, that of the

Chanarcillo on the Copiapo line in Chili, is of 196 feet in 13 miles, the chief incline of the Imperial Mexican Railway at Maltrata near Orizaba will overcome 211 feet per mile in a distance of 23 miles. In achieving this part of the works, the engineers have been called upon to construct over the river Metlac, midway between the cities of Orizaba and Cordova, a viaduct which, when completed, will surpass any structure of the kind now existing in the world, and will, of itself, be well worth a trip to Mexico to see. This viaduct, to consist of an iron bridge, now constructing and nearly completed in England, will carry the road over the Barranca de Metlac, at the enormous height of 380 English feet being nearly 150 feet higher than any such work now extant, so that it, would be possible to pile upon the spire of Trinity Church the spire of Grace without reaching the roadway sustained upon its magnificent arches.

Some notion of the strictly engineering difficulties of the work undertaken by the Imperial Mexican Company, and to be completed, according to the terms of its contract with Crawley & Co., before the 30th April, 1869, may be derived even from these brief statistical notes. But when the reader reflects further that all the most important materials, the rails, the working tools, many of the supplies for the great bodies of workmen to be employed on the line, not only up to these heights of the Cumbres, but far beyond them upon the upper plateau, stretching from the Cumbres by Puebla to Mexico, must be imported from Europe and America, and transported hundreds of miles on the backs of mules, or in the wide broad-wheeled wagons of the country over the most execrable roads on earth, he will readily agree with us, that when the Imperial Company in June, 1866, can point to more than 160 miles, or over half their whole line opened to commerce, they may fairly claim to have accomplished as handsome a year's work as men need be called upon to do. In accomplishing this, the Company have expended, for example, more than a million of dollars upon the transportation of rails alone from the coast to the line on the upper plateau. They have employed, and now employ, a total force in all departments of about 10,000 persons; they are receiving rails and other materials in the port of Vera Cruz at the rate of about 2,000 tons per month. England having recognized the *de facto* Imperial Government at Mexico, the vast business connected with this enterprise, which naturally and under ordinary circumstances would have inured to the benefit of American industry and capital, has, of course, been chiefly carried on the profit of Great Britain. American engineers are, however, employed under Col. Talcott on all parts of the walls, the difficult section of the Chiquihuite, on the edge of the *tierra caliente*, or tropical region, being under the charge of Mr. Deckert, of Pennsylvania, an engineer who has learned in Cuba to make light of the vomito, and to keep a cool brain under the hottest suns.

The opening of the upper sections between Mexico and Otumba, and Otumba and Apizaco, will give an immediate impulse to the intercourse between the two great cities of Puebla and Mexico, and to the development of the extensive intervening country. In conjunction with the lower section, already in operation between Vera Cruz and Paso del Macho, passengers from Vera Cruz to Mexico will thus be enabled to make their journey in two days, instead of three, and light goods,

which now require three weeks in the transport, will be forwarded in six days. Such a consummation may truly be regarded as a great and glorious victory won for civilization and true progress in Mexico. Whether under the banner of an Empire or the banner of a Republic, the "road-maker" is the true benefactor of nations, the true precursor and prophet of liberty, and all good things which come with liberty, wisely understood and wisely practiced.

SYSTEME METRIQUE.

MODERN commerce has encountered no greater obstacle to its progress than the multiplicity of weights, measures and moneys used in its production. Not alone the great nations of the world, but every petty principality and power, until recently had their own denominations and values, differing greatly from one another and only translatable through the aid of voluminous dictionaries compiled from elaborate comparisons. Such a condition of affairs might be tolerated in the primitive eras of nations, before travel and national interchanges of products became the great business of the human race; but in the present era, when the railroad and steamship carry passengers and freight with the swallow's pace, and when the commingling of nations makes the world as a single brotherhood, something more simple and universal in its functions is demanded, which the denizens of each and every nation, however foreign to each other in language, can easily comprehend. The great want has been and still continues in a measure to be a universal system, with a nomenclature, founded on the ancient Greek and Latin, languages in universal use. The adoption of such a system was one of the first acts of the French Revolutionary government, which in 1799 proclaimed the Systeme Metrique. It has since been adopted either wholly or partially, and its use become permissive or obligatory in almost every civilized country. We ourselves have for many years used it in scientific processes, and are now about to bring it into general use. A bill to this effect is before Congress, and has already been sanctioned by the Representatives; and there appears to be little doubt but that the bill will finally become a law, and the system in a short time be popularized throughout the Union. The change demanded by the new system will come easier to ourselves than to nations wholly accustomed to multiply and divide by the binary process. We have learned the decimal mode of proceeding from our own money system, and hence to carry its application to weights and measures will soon become familiar. Otherwise than this, the change contemplated by the present law is without complexity, being simply the substitution of one unit of value for another. What follows will explain the whole subject.

HARMONY OF THE FRENCH SYSTEM.

Though decimal weights and measures will be new to this country, they are not new to the world. They originated in France three quarters of a century ago, where they have been fully tested in the crucible of commerce; and the system there adopted has been proved to be the best that it is possible for man, aided by science, to devise. In France it has had the best trial it is possible that it could have; for it is only in a country where

he monetary and metrical systems are both decimalized that it could be thoroughly tested. When the United States created its decimal currency, and left its weights and measures unaltered, it did not even carry out a half measure of reform. Sterne's proverbial dictum, that "they do these things better in France," was never a greater truism than in the matter of her change to a decimal system. She did not pull down and rebuild the half of an edifice, and present a structure, one half of which did not accord with the other, but tore down the entire of the old fabric, and erected a new one that harmonized in all its parts.

THE ADVANTAGE OF ADOPTING THE FRENCH SYSTEM.

It is the French system of weights and measures that we are about to introduce. By adopting its units, which are founded on scientific data, there is no placing an additional clog in the wheels of commerce, which would undoubtedly be the case if a new system were introduced with other units, although that system were a decimal one.

It is evident that the French system must, in the course of time, become universal, and the sooner we thoroughly adopt it—that is, make its use compulsory—the sooner we shall place ourselves on the smooth road upon which all nations must eventually travel. The nomenclature, too, being derived from the Greek and Latin, renders it applicable to every modern tongue, and thus prevents the necessity of each country drawing from its own lingual store names for new weights and measures which would not be understood beyond its boundaries. The advantage in commercial transactions of a universal system with a universal nomenclature is obvious.

THE ORIGIN OF THE DECIMAL SYSTEM.

The history of the inception and introduction of the metric system is a matter of much interest. It imparts to us a knowledge of the substantial foundation upon which it rests, and the care which was bestowed to arrive at a system in strict accordance with the laws of science. We have no space, however, to enter into a detailed account of the difficulties that beset the path of those who were engaged in reducing the theory into practice; but when we state that the requisite surveys and experiments were carried on in the most exciting period of French history, the result proves how successfully earnest and intelligent men are able to overcome, what to others would be insurmountable, obstacles. Their labors began a year or two before the commencement of the revolutionary struggle, and did not terminate until the last year of the century.

The ancient French system of weights and measures presented no uniformity; there was no relation between the *pied*, used as the unit of the measure of length, and the *liore*, as that of weight; and even although those measures bore the same denominations in all provinces, they were very different in their proportions in particular districts—the diversity being, to use the epithet of Delambre, scandalous. Local consumers did not feel the whole disadvantage which arose, but merchants often experienced great difficulties in converting to their own local standard the qualities expressed according to another rule.

One of the first objects which engaged the attention of the general States in 1788, was to find a remedy for this defect. It was then agreed

that some principle should be established, on which a new system should be founded. It was desirable to find a natural and invariable standard; and it may be observed that mankind, in all ages, have been endeavoring to obtain some such result, though they may have proceeded without accurate scientific knowledge. Without science it is impossible to find an invariable standard in nature; for there is such infinite variety in the individual character of her productions that no portions of animal or vegetable matter can be found of equal or unchanging dimensions. It was therefore the object of the French to establish, "as the fundamental unity of all measures, a type taken from nature itself, a type as unchangeable as the globe upon which we dwell, to prepare a metrical system, of which all the parts should be intimately connected, and of which the multiples and subdivisions follow a natural progression, which would be simple, easy to comprehend, and worthy of the enlightened age in which they lived."

THE UNIT DECIDED UPON.

The Academie des Sciences was first requested to determine the length of a pendulum, vibrating seconds according to given rules, under certain circumstances. But this was objected to, because it was thought that the result, depending upon the weather and arbitrary division of time, was not susceptible of the requisite accuracy. It was then agreed to adopt the ten millionth part of the fourth part of the meridian, or of the quadrant comprised between the Equator and the North Pole, for the unity of this measure of length, and to derive all others from this standard.

PRINCIPLES OF THE METRICAL SYSTEM.

It was then proposed that the new system should be founded upon the following principles:

1. That all weights and measures should be reduced to one uniform standard of linear measure.

2. That this standard should be an aliquot part of the circumference of the globe.

3. That the unit of linear measure applied to matter in its three modes of extension, length, breadth, and thickness, should be the standard of all measures of length, surface, and solidity.

4. That the cubic contents of the linear measure in distilled water, at the temperature of its greatest contraction, should furnish at once the standard weight and measure of capacity.

5. That for everything susceptible of being measured or weighed, there should be only one measure of length, one weight, one measure of contents, with their multiples and subdivisions exclusively in decimal proportions.

6. That the whole system should be equally suitable for the use of all mankind.

7. That every weight and every measure should be designated by an appropriate, significant, characteristic name, applied exclusively to itself.

Thus it will be observed, according to this scheme, the unit of linear measure is the basis of the whole system. For the purpose of obtaining the value of the unit, it was resolved that an arc of the meridian should be actually measured. M. M. Mechain and Delambre were therefore ap-

pointed to ascertain, with the utmost precision, the length of the arc comprised between Dunkirk and Rhodes, in France, a distance of nearly 550,009 *toises*, or about 570 miles. M. Mechain died in Spain from excessive fatigue in attempting to extend his labors to Barcelona, a distance much further than had been required of him. The result of the operations in which these savans were engaged, was, that a quadrant of the meridian lying between the Equator and the North Pole measured 5,130,470 *toises*, and that the ten-millionth part of this quantity, which was to form the standard unit, was therefore equal to 443,298 *lignes*.

THE NEW. NOMENCLATURE.

The unit of the measure of length, thus ascertained, was discriminated a *metre*; and being established as the legal standard upon which all other weights and measures were to be predicated, the Academy proceeded to devise a new nomenclature. The *metre* is almost exactly the length of the seconds' pendulum at Paris, or about $39\frac{1}{2}$ English inches.

The unit of measures of capacity is a cube, whose side is one-tenth of a *metre*. It is called a *litre*, and is equal to about $2\frac{1}{2}$ pints.

The unit of weights is the *gramme*. It is the weight in *vacuo* of a quantity of pure water, and its maximum of density, that shall exactly fill a cubical vessel, each side of which is one-hundredth part of the *metre*. It is equivalent to about $15\frac{1}{2}$ grains, Troy.

In land measures, the unit called the *are*, is a square surface, each of whose sides is ten metres. It is nearly equal to four perches.

The unit of measure for fire-wood, denominated the *stere*, is a cubic *metre*, comprising about $35\frac{1}{2}$ English cubic feet, or somewhat more than one fourth of a cord.

In order to express the decimal proportions, the following vocabulary of names has been adopted:

For Multipliers:

the word Deca—prefixed, signifies.....	10 times;
the word Hecto—prefixed, signifies.....	100 times;
the word Kilo—prefixed, signifies.....	1,000 times;
the word Myria—prefixed, signifies.....	10,000 times;

On the contrary, for Divisors:

the word Deci—expresses the.....	10th part;
the word Centi—expresses the.....	100th part;
the word Milli—expresses the.....	1,000th part;

It may assist the memory to observe that the terms for multipliers are Greek, and those for divisors Latin. Thus, *Deca-meter* means ten meters, *Deci-meter* the tenth part of a meter; *Hecto-meter* one hundred meters, *Centi-meter* the hundredth part of a meter; and so on for the rest.

"The theory of this nomenclature," it is justly remarked, "is perfectly simple and beautiful. Twelve new words, five of which denote the things, and seven the numbers, include the whole system of metrology; give distinct and significant names to every weight and measure, multiple, and sub-division of the whole system; discard the worst of all the sources of error and confusion in weights and measures, the application of the same name to different things, and keep constantly present to the mind the principle of decimal arithmetic, which combines all the weights and measures, the proportion of each weight and measure, with all its multiples

and divisions, and the chain of uniformity which connects together the profoundest researches of science with the most accomplished labors of art, and the daily occupations and wants of domestic life, in all classes and conditions of society."

Such was the principle of the new system proposed by the Academy of Sciences in Feance, and the adoption of which, in that country, was enjoined by a law enacted December 8, 1799, and which is now in a fair way of being introduced into the United States.

THE NEW WEIGHTS AND MEASURES COMPARED WITH THOSE AT PRESENT IN USE.

The following tables of the metric system will place before the reader at a glance the relative value of the new weights and measures to one another, and to those at present in use among us :

MEASURES OF LENGTH.

Names.	Meters.	Inches.	
1 myriameter	10000	393708.	— 6.21 miles
1 kilometer	1000	39370.8	— 0.62 miles
1 hectometer	100	3937.08	— 109.36 yards.
1 decameter.....	10	393.708	— 10 94 yards.
1 METER	1	39.3708	— 1.09 yards
1 decimeter	0.1	3.93708	
1 centimeter	0.01	0.39371	
1 millimeter	0.001	0.03937	

A toise equal to 1.95 meters, or 6.89 feet.

MEASURES OF SURFACE.

Names.	Square meters.	Square inches.
1 square myriameter.....	100000000	155006913664.
1 square kilometer.....	1000000	1550069136.64
1 square hectimeter.....	10000	15500691.3664
1 square decameter.....	100	155005.913664
1 square METER.....	1	1550 05913664
1 square decimeter.....	0.01	15.5005913664
1 square centimeter.....	0.0001	0.15500691366
1 square millimeter.....	0.000001	0.00155005913

- 1 square myriameter equal to 38.61 square miles.
- 1 square kilometer equal to 0.38 square miles.
- 1 hectometer equal to 11960.88 square yards.
- 1 decameter equal to 119.00 square yards.
- 1 meter equal to 1.20 square yards.

MEASURES OF CAPACITY.

Names.	Cubic meters.	Cubic inches.
1 cubic kilometer.....	1000000000	61027053379431.
1 cubic hectimeter.....	1000000	61027053379.431
1 cubic decameter.....	1000	61027053.379431
1 cubic METER.....	1	61027.053379431
1 cubic decimeter.....	0.001	61.027053379431
1 cubic centimeter.....	0.000001	0.0610270533794

1 cubic meter equal to 1.31 81 cubic yard.

LAND MEASURE.

Names.	Square meters.	Square yards.	
1 hectare.....	10000	11960.88	— 2.47 acres.
1 ARE.....	100	119.6088	— 8.95 square rods
1 centiare.....	1	1.196088	

WOOD AND TIMBER MEASURE.

Names.	Cubic meters.	Cubic inches.	Cubic feet.
1 ster.....	1	61027.05	35.816
1 decister	0.1	6102.705	8.5316
1 centister.....	0.01	610.2705	0.8532
1 millister.....	1.001	61.02705	0.0353

1 ster equal to 0.276 cord.

LIQUID AND DRY MEASURE.

Names	Cubic meters.	Pints.	Gallons	Bushels.
1 kiloliter.....	1	2113.5	264.2	83.047
1 hectoliter.....	0.1	211.35	26.42	8.3047
1 decaliter.....	0.01	21.135	2.642	0.8305
1 LITER.....	0.001	2.1135	0.264	0.0830
1 decaliter.....	0.0001	0.2113	0.026	0.0083

MEASURES OF GRAVITY OR WEIGHT COMPARED WITH TROY WEIGHT.

Names.	Cubic meters of water.	Grains.	Penny- weights.	Ounces.
1 kilogram.....	0.001	15438.	648.8	82.163
1 GRAM.....	0.000001	15.438	0.643	0.032
1 decigram.....	0.0000001	1.5438	0.064	0.003

1 kilogram, 2.68 pounds, troy.

MEASURES OF GRAVITY OR WEIGHT COMPARED WITH AVORDUPOIS :
WEIGHT.

Names.	Grains.	Drams.	Ounces.	Pounds.
1 myriagram	10000	5646.	852.9	22.055
1 kilogram	1000	564.6	85.29	2.2055
1 hectogram.....	100	56.46	8.529	0.2205
1 decagram.....	10	5.646	0.852	0.0221
1 GRAM	1	0.565	0.085	0.0022

A quintal is 100 kilograms, and is equal to 220.55 pounds.
A millier (used for marine tonnage) is 1000 kilograms, and is equal to 2205.5 pounds.

In the bill before Congress the larger weights are the quintal and ton ; the quintal being the same as the French quintal, and the ton the same as the millier. Hectogram is to be called *hecto*, for short ; and kilogram *kilo* (pronouncing the vowel *i* in the latter the same as it is pronounced in kill, or as in marine). Decaliter will be named, for short, *deca*. These abbreviations have long been adopted in France.

APPROXIMATE EQUIVALENTS.

The bill also provides that for the purpose of assessing or collecting duties and taxes, for the sale or transfer of the public lands, and for all purposes whatsoever, where strict accuracy is not required in order to prevent interference with contracts before entered into, the following approximate equivalents shall be used until rates, prices, or quantities be fixed according to the standard of weights and measures enacted by the act :

LIST OF APPROXIMATE EQUIVALENTS.

1 decimeter.....	— 4 inches.	1 hectare.....	— 2.5 acres.
1 meter.....	— 1.1 yard.	1 liter	— 05.875 gallon.
1 decameter.....	— 0.5 chain.	1 kilogram.....	— 32 ounces, troy.
1 kilometer.....	— 0.625 mile.	1 kilogram.....	— 2.2 lbs. avordup's
1 centiare	— 1.2 square yards.	1 ton	— 1 ton of 2,240 lbs.

The bill further provides that every rate, price, or quantity that is now or hereafter may be fixed by law shall, on the adoption of the new standard, be held to be increased or diminished according to the above approximate ratio, until a new rate, price, or quantity be fixed by law in lieu thereof; but nothing contained in the act shall be held to interfere with any contract heretofore entered into, or any grant heretofore made, so as to prejudice any person or persons in the United States.

PROVISIONS OF THE NEW ACT.

Among the provisions of the bill legalizing the metric system, are the following :

That for the purpose of the post office one ounce shall be considered equivalent to thirty grains, until or unless rates of postage be enacted with special reference to the new standard.

That the public lands shall, as heretofore, be surveyed in townships of thirty-six sections, except that each section, when not fractional, shall, as nearly as may be, contain 256 hectares; provided, however, that the Commissioner of the General Land Office may cause such portions to be surveyed with the chain of sixty-six feet as in his judgment may be necessary to avoid inconvenient irregularities in joining on to or subdividing previous surveys.

That the Secretary of the Treasury shall cause to be prepared a list of the coins of the United States (which shall be of the same weight and fineness as now provided by law), showing their weight in grains and decimal parts thereof, as also the extent of deviations now permitted in adjusting the weight of coins.

That from the time of the passage of the act it shall be lawful for any person to buy, or sell, or contract by the metrical system of weights and measures.

A COMPROMISE SYSTEM ADOPTED FOR A TIME IN FRANCE.

Although the agents of the French government and the higher classes in the commercial world soon understood and adopted the metric system, the smaller tradesmen and laborers were unwilling to charge their memory with names which sounded so unlike their accustomed language. Consequently the Emperor Napoleon—doubtless not unwilling to yield to the prejudices of the people against a system that had been introduced into the country by a republican government—caused an imperial decree to be promulgated, February 12, 1812, that tolerated the names of the old measures in the *retail* purchase of goods; but, at the same time, by a slight modification, the value of those measures were so fixed as to bear certain definite proportions to the standards of the decimal system. It was also required that the measures should bear both graduations, that is the carpenters' rule should have on one side the metrical divisions and on the other those of the *toise* and its subdivisions; and the *aune*, or ell, should bear on one of its sides its former divisions of halves, quarters, eighths, &c., and on the other the corresponding metres and centimetres; in order that both the purchaser and the dealer might be enabled to convert one measure into the other.

The old and new systems thus combined formed what was called the *System usuel ou transitoire*. Under it a measure of two metres was called

a *toise*, which was divided into six feet; and the foot, which was one-third of a metre, was divided into twelve thumbs, and the thumb into twelve lines. A measure for cloth the length of twelve decimetres was called the *aune*, or ell, which was divided into halves, quarters, eighths, and sixteenths, as well as into thirds, sixths, and twelfths. In like manner the half of a kilogramme was denominated a *livre*, a pound, which was divided into sixteen ounces; and the ounce was subdivided into eight *gros*, which was further split up into halves, quarters, and eighths. For the retail sale of spirits, etc., the litre was divided into halves, quarters, eighths, and sixteenths; and for dry measures one eighth of an hectolitre was called a *boisseau*, which had its double, its half, and its quarter.

How absurd this system appears when compared with the simplicity of the metric system, and yet if the reader will reflect he will find that it very closely resembles the system at present in use in our own country.

The *system usuel* could only be legally used in retail sales, all wholesale dealers being compelled to follow the metric system. Its introduction was attended with many difficulties at first, but it finally led to almost the exclusive adoption of the old system, which it was the province of the metric system to supersede. In consequence of this a law was passed, in the reign of Louis Philippe, in July, 1737, interdicting, under a severe penalty, after the 1st of January, 1840, the use of all weights and measures other than those of the metric system.

THE EUROPEAN WAR.

Probably before this is seen by our readers, the strife which has so long been fomenting on the continent of Europe will have begun. As we write, news reaches us of the entry of the Prussians into Holstein, which has been evacuated by the Austrians. The Congress which was to have assembled at Paris made just enough progress to show the hopelessness of any further attempt to preserve peace. Austria coupled her acceptance with a distinct assertion that she would entertain no propositions looking to the cession of Venetia; Italy acceded with an equally distinct declaration of the vital necessity of the acquisition of Venetia to her own internal peace; and Prussia, angered, almost at the very moment of her acquiescence, by an Austrian decree in which the whole affair of the Danish Duchies was decided in contempt of the Prussian policy, gave the Powers plainly to understand that she could not consent to wait more than a fortnight upon the action of the projected Congress. With such belligerent feelings exhibited by each of the principal parties, the failure of the Congress was a foregone conclusion.

With the chances of war thus imminent it is worth while to consider what that war will be, what it may become and how it will affect the United States. And first it will differ from any recent struggle in which Austria has been engaged, in this very important particular, that the non-German populations subject to the Austrian rule appear to be throwing themselves with extraordinary ardor into the defence of the Imperial throne against the Prussian aspirations after a decisive supremacy in Germany. The best information accessible on this point seems to put it beyond a doubt; and when we consider that the non-German populations

of Austria, exclusive of her Italian dominions, amounted in 1857 to more than 24,000,000 of souls while her subjects of German origin numbered less than 8,000,000 of souls, it will be easy to see with what a tremendous additional force a real warlike enthusiasm on the part of these vastly preponderating races must arm the Empire. It is a great mistake of which the English press is guilty when it insists upon treating the coming outbreak in Central Europe as the work simply of the contending ambitions of a Premier on the one side and a Kaiser on the other.

The gradual admission of the non-German populations of Austria to something like constitutional relations with the Empire has given strength to the adherents in Austria of a policy which looks, not to the consolidation of Germany under an Austrian sovereign, but to the prevention of the consolidation of Germany under a Prussian sovereign. To keep Germany disunited, and thereby to rob the forty millions of the German race of their legitimate preponderance which, if once united, they cannot fail to acquire in Central Europe, is, in the eyes of those who represent this new Austrian policy, to secure such a preponderance to the non-Germanic Austrian Empire. By her Eastern subjects Austria has for years been made liable to grave dangers from the Pan-Slavic aspirations and intrigues of Russia. By her Western relations with Germany she is exposed to the seduction of a Teutonic imperialism. The election of a Prussian prince, Charles of Hohen Zollern, to the sovereignty of the Roumanian principalities on the Lower Danube, would threaten her with Germany on the East as well as on the West, were she to be defeated in the impending war; and the general rallying of her heterogeneous "peoples," as Kossuth used to call them, around the standard of the Kaiser can only be rationally interpreted as an evidence of the fact that the conception of an united Austrian Empire, powerful enough to arrest the crystallization of German unity on the one hand, and the progress of Russian domination on the other is at last becoming popular throughout the vast realm of the Hapsburgs.

If this view of the temper and purposes with which Austria will enter the war be correct, it follows, inevitably, that however reluctantly the Prussian people may begin the fight, their passions not of nationality only, but race, must very soon be enlisted in supporting it. Count Bismarck is said to have replied to some one who endeavored to alarm him by dwelling upon the popular opposition to the war in Prussia: "Yes, yes, that is very true, but a single victory or a single defeat will change the whole current." Those who remember the conditions of popular feeling in this country at different moments during our recent struggle, will appreciate the knowledge of human nature displayed in this observation of the Prussian ruler. Whatever else may be said for or against Count Bismarck, the credit of a cool and masterly perception of the circumstances amid which he is guiding his Ship of State, and of an unscrupulous promptitude in availing himself of these circumstances, cannot be denied him. It is upon these qualities in her Premier, even more than upon the admirable condition of her exchequer, and the excellent organization of her army, we opine, that Prussia will find herself compelled to rely most earnestly when the shock of actual conflict comes with her gigantic enemy. Austria has not as yet shown that she possesses any statesman fitted to cope with the astute and audacious minister of King William I.

The armies which the different powers will bring into the field will of

course be large. It is the custom, owing to an inaccurate view of the Hungarian campaign, to disparage the military power of Austria, but it is really exceeded only by that of France. The Kaiser controls half a million of efficient soldiers, supported by an unresisted conscription, carefully organized, particularly since the experience of 1859, and full of high military pride, and the Emperor can in the last resort rely on immense levies of races who, like the Croats, are alike ignorant and careless of the merits of any contest. The immense number on the rolls must, however, be reduced by at least 100,000 men to be left in Venetia, 100,000 in Galicia and Hungary, and 50,000 more engaged in the fortresses and regular garrison duty. On the other hand, the King of Prussia has the immediate control of only 250,000 men, but he need not garrison any part of his dominions except the Duchies. He has besides the support of a very swift and effective conscription—the organization under which every man in Prussia is not only to serve, but trained to do it well. His army is better armed than the Austrian, comprises a magnificent artillery, honestly believes that the Danish war raised its military reputation as highly as Waterloo, and has an advantage which its rival does not, we believe, possess—the help of a system of laws, framed by Frederick the Great, and by no means dormant, under which every horse, every cart, and, indeed, all supplies throughout the kingdom may be made instantly available for the service of the State. In finance the Prussian Government has slightly the advantage, as she possesses, besides her revenue, a reserve treasure of some ten millions, which would last till a won battle enabled her Government to raise a loan, or a lost one called out the patriotism of the Chamber, which in extremity dare not leave an army based on the whole population without supplies.

The Italian attack upon Austria must be regarded, no matter how formidable its proportions may become, nor how gallantly it may be conducted, as a diversion in favor of Prussia with the connivance, and in the ultimate interest of France. The practical neutrality of Russia being guaranteed by the attitude of England, who will probably never again draw the sword to redress any balance of power on the Continent of Europe, but who would, unquestionably, spring from her slumber like a lion to arrest any new demonstration of the Czar toward Constantinople, France has become the practical arbiter, in the last resort, of every serious effort at a “reconstruction of the map of Europe;” and whatever may be the changing incidents and accidents of the summer’s strife, we may be sure that the ultimate determination of its results will proceed, with authority, neither from Berlin nor Vienna, nor Florence, but from the Tuileries: and when one great battle has been fought Napoleon becomes the master of the situation able to demand his own price. Once France moves, the war would be European in its range. The assailed would be fighting for life, and would be compelled either to draw England into the struggle, or that proving impossible—an assumption much too hastily made while the Belgium is on the Rhine, and Turkey almost guaranteed—buy the immense assistance of Russia. Such combinations are of course at present mere dreams; but with Austria and Prussia in open conflict public law ceases in Europe, and anything becomes possible to those who have bayonets at command. The scene of 1815 may be repeated, and though the war is almost sure to be short, it may accomplish changes as

great as those which are registered and legalized by the Congress of Vienna. England is for the present fairly out of the fray, though the ultimate result of all such wars, its compensation of the strong at the expense of the weak, may yet drag her into its vortex. As between Prussia and Austria compensations are possible to almost any extent and of little concern to this country, which at heart would see Germany divided into a Northern and Southern Empire not only with indifference but with pleasure. But France wants for her price a frontier which the elder statesmen of England fear to concede, may ask one which they would resist by force. Russia wants bits of Turkey, while Italy must have Venetia and possibly Friuli and Italian Tyrol. And since Austria, by her hold on the fortresses known as the Quadrilateral, occupies a position on the Italian Peninsula from which it will be extremely difficult for the Italians to dislodge her by a direct front attack from the side of Lombardy, it is by no means improbable that the war will begin on the South of the Empire by the efforts of the Italian volunteers to excite a revolution in the Alpine districts of Austrian Italy, combined with naval demonstrations against Upper Dalmatia and Trieste.

The sympathies of the United States in this struggle will, without doubt, be with Italy. Austria has already lost ground, before a battle has been fought, or a gun fired, by her course with regard to a Congress. She has thus placed herself in precisely the position her enemies would have chosen for her. But those who imagine that the United States will be only benefited by the outbreak, must have examined very superficially the bearings of the question. Our development is, to an important extent, dependent on European capital. Not less than \$250,000,000 of our securities are held in Europe; we, in the meantime, employing the capital advanced upon them for the creation of wealth. The people of the Continent are large consumers of our products, and we in turn are dependent upon them for the supply of a vast amount of merchandize, which, under existing circumstances, we can buy from them more advantageously than we can produce the articles ourselves. We are also largely dependent upon European credits for the importation of this merchandise. Indeed, for all practical purposes, there is the same sort of inter-dependence between the Old World and the New World as exists between the several States of our own Union.

Although it is true that the war involves no suspension of our trading relations with the Continent, as in the case of belligerents; yet it is inevitable that it must produce a very important modification of those relations. One of the first results of war is to cause bankers to call in their loans, partially from motives of caution and partially for the purpose of placing themselves in a position to respond to the requirements of their government. We are now beginning to feel the effects of this course. Our importers find it impossible to avail themselves of their customary letters of credit upon the Continental cities, and a large proportion of our Fall importations must consequently be paid for in cash. This fact has not only an important bearing upon domestic monetary affairs, but it must result in a large curtailment of our importations; which means a diminution of the trade and enjoyments of our people. We are experiencing another adverse result in the withdrawal of European capital allowed to remain here for employment. Letters by the Scotia called home a con-

considerable amount of funds thus held—one firm, we understand, having remitted a single balance of over \$1,000,000. The large shipments of specie this week have been chiefly destined to the Continent, and are in response to demands of this character. To what further extent this process may be carried it would be premature, at present, to estimate; but foreign bankers are apprehensive that further large remittances on this account may have to be made.

It yet remains to be seen whether any derangements will arise from the return of Five-twenties from Europe. Probably not less than \$200,000,000 of our bonds are held in States likely to be directly implicated in the war. Thus far, the bonds returned from Europe have consisted chiefly of the supply held by dealers, who have probably realised upon them, on account of their being less depreciated than other securities. We find no reason for modifying our opinion, previously expressed, that the mass of private holders will hold the bonds firmly on account of their security, and being less liable to fluctuation than other loans. A certain amount of Five-twenties, however, is held by manufacturers and merchants: and it is questionable whether this class of holders, being driven by the curtailment of bank credits to realize upon their reserve capital, will not prefer selling our bonds, as the securities upon which they would lose least through realization. Private financial advices indicate the commencement of a movement of this character. Should the process be carried on to an important extent, it is quite probable a salutary check would be imposed upon it by the New York gold market. The shipment of gold, in payment for bonds thus returned, would cause an advance in the premium, which would so far reduce the gold value of the bonds as to neutralise the motive for sending them here for realization. It is, however, to be supposed that this realizing movement would prove to be but temporary. The mercantile sellers would, after a brief period, find their assets coming into their hands, and, having again an unemployed surplus, they would be likely to invest in Five-twenties, which to them would appear cheaper and safer than any other investment. It is, again, a question whether, in the probable event of money becoming cheap in England at an early day, there is not a chance that London dealers would buy largely of the bonds thus temporarily thrown overboard by the Germans, with the hope of being able to sell them at Frankfort at a profit, after the subsidence of the first panicky effects of war.

It is to be anticipated, as a natural consequence of the interruption of agriculture on the Continent, that war would be accompanied with an enlarged demand for our food products at enhanced prices. Apparently, this would increase our ability to pay for our imports of merchandise; and yet only apparently, for it is not to be overlooked that the war would cause a loss upon our exports of cotton far exceeding any gain upon our shipments of Western produce. Europe consumes one third of our cotton crop; and the contraction of this large source of demand would cause a material depreciation of the value of the entire crop, besides reducing the price of the large amount now held on American account at Liverpool.

These are some of the many considerations which go to show that Americans, in common with all who have trading relations with the Continental States, cannot but be effected injuriously by a European war.

TAXATION OF GOVERNMENT BONDS—NOTE.

In the article on "Taxation of Government Bonds" in the June number of the *MAGAZINE* (pages 409, &c.,) there were two or three typographical errors which changed or destroyed the meaning of the sentences in which they occurred ; well illustrating the truth that man composes but the devil prints. On page 410, 20th line from top, the word printed "*over taxed*" should read *untaxed*. Page 411, 24th line from top, '*our community*' should read *one community*. Page 411, 12th line from bottom, "*when capital*" should read *where capital*.

TRADE OF GREAT BRITAIN WITH THE UNITED STATES.

COTTON, BREADSTUFFS PROVISIONS ETC.

[Our London correspondent furnishes us an analysis of the cotton trade between Great Britain and the United States for the four months ending April 30th, prepared from the official returns first issued and those of previous years. As regards the total value of imports, the returns embrace a period of only three months ; but during this period in the current year, the computed real value of the principal articles imported was very high, and was nearly £14,000,000 in excess of 1865. The two leading items causing this increase are cotton and breadstuffs, the augmented value of the former being to the extent of £7,000,000, and of the latter £3,000,000. The value of imports in each of the first three months of the last three years was as under :—

	1864.	1865.	1866.
January.....	£7,520,856	£6,998,922	£9,875,564
February.....	13,214,541	12,891,252	16,610,159
March.....	16,896,928	13,006,394	12,891,204
Total.....	£37,13,825	£32,295,568	£46,348,927

Respecting the exports of British and Irish produce and manufactures, the returns extend to the end of April. In that month, as compared with March, trade declined to the extent of rather more than two millions sterling ; but the figures show an increase over January, February, and over the corresponding months in the two preceding years. They are as follows :

EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURES.

	1864.	1865.	1866.
January.....	£10,413,586	£10,489,339	£14,354,748
February.....	12,698,121	11,376,214	15,116,063
March.....	13,555,674	13,770,154	17,520,354
April.....	13,225,039	12,071,111	15,366,414
Total.....	£49,892,420	£47,706,618	£62,357,579

The total value of imports from the United States during the three months ending March 31, was as follows :

	1864.	1865.	1866.
From Atlantic ports, Northern.....	£3,385,142	£1,843,893	£5,377,477
Southern	77,263	62,323	6,21,197
Pacific ports.....	115,558	19,238	43,097
Total.....	£3,577,960	£1,925,514	£12,241,771

The exports during the same period stood thus :

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£6,699,353	£3,173,223	£9,137,644
Southern	36,839	18,718	298,312
Pacific ports.....	171,835	79,648	212,997
Total	£6,908,027	£3,271,594	£9,654,953

COTTON.

Respecting cotton, we find that the United States, the Brazile, and the East Indies ave furnished during the present year increased supplies. On the other hand, he imports from Turkey, Egypt and minor countries have declined, whilst the nport trade in cotton, so far as China is concerned, is quite suspended. According, owever, to the latest advices from China, it appears that a few cargoes are now float for Liverpool, but the quantity of produce they are likely to bring cannot have ny effect on the market. The total imports in April amounted to 1,663,025 cwts. gainst 592,095 cwts. in 1865, and 627,452 cwts. in 1864. For the four months end' ng April 30, the imports were of the following magnitude :

IMPORTS OF COTTON INTO THE UNITED KINGDOM.

		1864	1865	1866
From United States,.....	Cwts.	10,429	38,029	1,811,879
Bahamas and Bermuda,.....	"	95,847	137,809	2,602
Mexico.....	"	99,752	106,914	3,145
Brazil.....	"	95,582	161,630	267,530
Turkey.....	"	53,679	87,058	51,757
Egypt.....	"	860,278	600,693	402,483
British India.....	"	775,867	683,510	1,004,380
China.....	"	210,118	142,818	
Other Countries.....	"	58,379	115,400	72,666
Total.....		1,759,420	2,025,369	3,689,434

From the foregoing it becomes evident that in considering the important question of the future supply of cotton, Brazil must occupy a prominent place. No other country has made during the past few years the same steady and rapid progress in the cultivation of the great staple. In 1863 less than 170,000 bales of 160 lbs each were shipped from all ports. This year, its believed, the quantity will amount to nearly 600,000 bales. This extraordinary increase is in the face of an export duty exceeding 12 per cent., and an exhausting war, which among other evils, has deprived the cotton grower of thousands of laborers.

The export demand for cotton in April was largely in excess of that for April last year—the quantity taken by exporters in April having amounted to 294,960 cwts., against 131,965 cwts. last year, and 189,418 cwts. in 1864. For the four months the figures show a corresponding increase, the shipments to the leading consuming countries from the United Kingdom being as follows :

	1864.	1865.	1866.
To Russia, Northern ports.....cwts.....	19,340	2,265	29,946
Prussia.....	5,441	277	27,757
Hanover.....	17,965	11,335	5,083
Hanse Towns.....	148,453	104,791	371,918
Holland.....	115,835	57,296	171,346
Other countries.....	227,169	248,464	418,684
Total.....	534,258	419,428	1,026,084

The computed real value of our cotton imports for three months was £17,903,379, against £10,819,439 last year, and £12,124,375 in 1864.

BREADSTUFFS.

The returns show an increase of more than one hundred per cent. in imports of wheat from all quarters as compared with the corresponding month last year. France continues to furnish liberal supplies, and from Russia, there is a large increase. The United States figure in April for only 12,000 cwts., but that is an increase of 9,000 cwts. as compared with the same month last year. The leading import of flour is now from France. The statement of imports is as follows :

IMPORTS OF WHEAT AND FLOUR INTO THE UNITED KINGDOM IN FOUR MONTHS.

	1864.	1865.	1866.
WHEAT —From Russia... ..cwt.	686,489	1,231,453	1,092,965
Prussia... ..	1,530,686	892,113	400,222
Denmark... ..	843,793	83,234	35,309
Schleswig, Holstein and Lauenburg... ..	126,384	52,949	35,549
Mecklenburg... ..	191,429	97,195	32,872
Hanse Towns... ..	800,443	29,709	57,622
France... ..	432,497	178,907	1,742,971
Turkey and Wallachia and Moldavia... ..	164,381	169,312	215,222
Egypt... ..	812,633	.....	.....
United States... ..	2,835,400	127,994	308,044
British North America... ..	10,838	2,294	1,739
Other countries... ..	154,822	214,831	1,125,232
Total	7,041,307	2,572,521	7,121,000
FLOUR —From Hanse Towns... ..cwt.	136,768	85,302	75,127
France... ..	1,217,815	767,622	2,041,621
United States... ..	816,607	94,298	182,022
British North America... ..	4,256	11,385	6,302
Other countries... ..	38,440	26,739	6,573
Total	2,213,886	985,376	2,311,652
INDIAN CORN	578,276	1,216,017	4,074,573
OATS	1,129,001	1,292,492	1,351,522

The annexed statement shows the value of our principal exports of British and Irish produce to America, during the four months ending April 30, in each of the last three years :

EXPORTS TO THE UNITED STATES FOR FOUR MONTHS.

	1864.	1865.	1866.
Alkali.....	£155,503	£131,745	£230,000
Beer and ale.....	22,173	11,402	21,222
Coals.....	41,151	27,160	25,000
COTTON MANUFACTURES —			
Piece goods.....	903,419	441,550	1,004,300
Thread.....	102,119	31,762	122,000
Earthenware and porcelain.....	164,510	109,736	24,000
Haberdashery and millinery.....	511,038	244,141	645,500
HARDWARES AND CUTLERY —			
Knives, forks, &c.....	46,960	37,404	120,722
Anvils, vices, &c.....	40,063	22,783	45,722
Manufactures of German silver.....	124,139	52,349	252,955
LINEN MANUFACTURES —			
Piece goods.....	1,117,075	715,140	1,632,000
Thread.....	79,559	48,815	36,122
METALS —			
Iron—Pig.....	102,639	21,591	127,500
Bar, &c.....	396,892	48,946	222,000
Railroad.....	427,849	28,536	194,000
Castings.....	7,053	1,053	4,000
Hoops, sheets & boiler pla's.....	120,897	15,441	111,000
Wrought.....	139,850	58,263	22,222
Steel—Unwrought.....	224,098	94,167	222,522
Copper, wrought.....	11,718	9,167	22,000
Lead, pig.....	156,346	5,607	53,000
Tin plates.....	315,869	229,440	545,572
Oilseed.....	43,832	29	6,000
Salt.....	11,898	8,630	2,000
SILK MANUFACTURES —			
Broad piece goods.....	41,910	19,253	3,500
Handkerchiefs, &c.....	10,832	999	1,000
Ribbons.....	22,357	9,692	21,500
Other articles of silk only.....	49,968	22,222	25,522
Manuf. mixed with other materials.....	21,206	9,970	27,522
Spirits, British.....	5,846	302	1,700
Wool.....	28,762	250	22
WOOLEN MANUFACTURES —			
Cloths of all kinds.....	468,881	143,641	62,000
Carpets and druggets.....	193,376	34,168	27,722
Shawls, rugs, &c.....	46,223	7,511	16,222
Worsted stuffs of wool only, and of wool mixed with other materials.....	1,081,240	544,221	1,006,522

During April 28 American vessels entered inwards at ports in the United Kingdom, against 23 last year, and 22 in April, 1864. For the four months ending April

30, the aggregate was 151 vessels, of 152,589 tons ; against 88 vessels, of 93,272 tons, in the corresponding period last year ; and 133 vessels. of 151,589 tons, in 1864. The clearances in April were 51, against 27 last year, and 45 in 1864. For the four months they reached 188, against 94 in 1865, and 143 in 1864. Of all nationalities, the entries into the United Kingdom from United States' ports were 133, against 35 in April last year, and 63 in 1864. These figures raise the total for the present year, viz. : from Jan. 1 to April 30, to 546 vessels: And a comparison with previous years shows favorable results, for during the corresponding months in 1865 the total was confined to 156, and in 1864 it was 333. The clearances of vessels, of all flags, from the United Kingdom to the United States reached a total of 130, against 66 in April last year, and 129 in 1864. The total for the year is 522, against 203 for the corresponding months last year, and 331 in 1864.

PROVISIONS AND LIVE STOCK.

Below we give the arrivals of live stock and provisions during the four months ending April 30 :

LIVE STOCK.				
	1864.	1865.	1866.	
Oxen, bulls and cows, number.....	21,143	40,719	42,801	
Calves, number.....	6,262	6,093	6,190	
Sheep and lambs, number.....	58,378	96,184	244,792	
Swine and hogs, number.....	4,437	21,369	20,062	

PROVISIONS.				
	1864.	1865.	1866.	
Bacon and hams, cwts.....	347,383	232,242	225,892	
Beef salt, cwt.....	164,856	81,585	72,567	
Pork, salt cwt.....	70,222	58,390	80,662	
Butter, cwt.....	260,604	292,398	270,945	
Cheese, cwt.....	162,068	177,271	127,805	
Eggs, number.....	99,350,040	107,821,440	140,188,560	
Lard, number.....	30,261	40,228	106,406	

TRADE WITH THE BRITISH PROVINCES.

A resolution was some time ago adopted by the House of Representatives calling upon the Secretary of the Treasury to communicate certain specified information, with the view of assisting Congress in "correctly estimating the trade resources" of the British Provinces, "and their relations to the trade and productions of the United States." The exact returns requested have not yet been presented, and there is, therefore, no likelihood of their being serviceable during the present session. Without waiting for them, however, Mr. Kelley, who sought the information, may form a tolerably correct estimate by reference to official documents already in print. He may learn, for instance, the growth and magnitude of the trade developed under the Reciprocity Treaty, now no more, and may judge of its value to the United States by a detailed comparison of our exports to the Provinces with the aggregate of our exports to all other countries. For the enlightenment of members like himself, we have compiled a couple of tabular statements, some of the figures of which may, perhaps, surprise persons more familiar than Mr. Kelley professes to be with the nature and extent of the interests concerned in our export trade with the Provinces.

The first of these statements exhibits the total amount of imports and exports during eleven years, ending the 30th June, 1864. It may serve both to convey an idea of the annual aggregate of trade between this country and the provinces embraced within the Reciprocity Treaty and to correct the prevalent misapprehension in regard to the relative proportion of imports and exports.

The second statement is now, we believe, for the first time published in its present shape; and we commend it to the careful study of those who would comprehend the value of the Provincial market to some of the leading branches of American industry. With reference to some articles, it will be seen that our exports to the Provinces exceed the total of exports to all other countries; and, in more numerous instances, exports to the Provinces surpass in value our exports to any one of the most populous countries of the old world. The claims of the Provinces to be classed amongst the best customers of the United States seems, therefore, to be fairly established.

I.—Imports and Exports from and to Canada and the British North American Provinces embraced within the Reciprocity Treaty, from June, 1853, to June, 1864.

Year ending June 30, 1854.....	Total Imports.....	Total exports.....
" " 1855.....	\$8,927,560	\$24,561,440
" " 1856.....	15,136,734	27,460,000
" " 1857.....	21,310,421	29,025,200
" " 1858.....	22,124,296	24,362,600
" " 1859.....	15,806,519	22,721,300
" " 1860.....	19,727,551	25,154,100
" " 1861.....	23,851,381	22,724,200
" " 1862.....	23,062,933	22,715,500
" " 1863.....	19,299,995	21,773,700
" " 1864.....	24,025,423	21,211,000
" " 1864.....	84,922,015	84,965,400

II.—Statement showing the relative position of Canada and the British North American Provinces among the thirty-two Foreign Countries to which the under-mentioned articles are exported from the United States during the fiscal year ending 30th of June, 1865.

Articles exported.	To Canada & Brit. N. A. Provinces.	To all other countries.	Total exports.
Acids.....	\$23,362	\$25,568	\$48,930
Animals, living—Horses.....	59,073	51,157	110,230
Cattle.....	111,818	47,861	159,679
Sheep.....	85,645	36,553	122,198
Other animals and fowls.....	8,669	14,028	22,697
Apples, green.....	267,672	111,534	379,206
Dried.....	42,707	56,844	99,551
Bark, etc., and tanners' dyes.....	3,600	154,895	158,495
Beef.....	126,560	2,178,211	2,304,771
Beer, ale, porter and cider.....casks.	10,932	130,413	141,345
Billiard tables and apparatus.....	6,001	40,761	46,762
Books—printed, blank and pocket.....	63,474	325,006	388,480
Boots and shoes.....	218,256	1,804,954	2,023,210
Bricks.....	11,573	49,295	60,868
Brooms and brushes.....	29,256	151,725	180,981
Butter.....	265,311	6,968,863	7,234,174
Cables and cordage.....	92,752	872,886	965,638
Candles, other than sperm and paraffine.....	55,308	1,195,815	1,251,123
Carriages and parts, and children's do.....	29,815	868,073	897,888
Cars, railroad and materials.....	11,950	365,919	377,869
Cheese.....	284,565	11,450,388	11,734,953
Clocks.....	13,942	691,550	705,492
Clothing—wool or cotton.....	102,626	1,352,664	1,455,290
Clover seed.....	22,464	424,281	446,745
Coal.....	555,332	792,089	1,347,421
Confectionery.....	6,713	33,663	40,376
Copper and brass, manufactures of.....	28,085	262,853	290,938
Cotton, other than Sea Island.....	43,175	5,851,195	5,894,370
Cotton manufactures—			
Bleached, printed and colored.....	23,423	594,800	618,223
Brown drills, sheeting, etc.....	17,340	27,403	44,743
All other.....	93,076	2,465,800	2,558,876
Drugs used in the arts.....	29,249	22,422	51,671
Earthen and stone ware.....	16,083	71,994	88,077
Eggs.....	7,713	43,506	51,219
Fancy goods.....	50,521	400,975	451,496
Fertilizers.....	26,970	21,226	48,196
Fish, dried or smoked.....	83,228	1,008,544	1,091,772
Fruits, dried and preserved.....	84,106	274,745	358,851
Glassware.....	151,879	1,002,709	1,154,588
Glue.....	7,932	24,794	32,726
Hams and bacon.....	337,617	10,184,905	10,522,522
Hardware.....	176,018	1,865,405	2,041,423
Wool of wool, fur, or silk.....	46,206	143,209	189,415

Articles exported.	To Canada & Brit. N. A. Provinces.	To all other countries.	Total exports.
Hay.....	23,279	175,505	198,784
Hemp.....	109,246	150,147	259,393
Hides.....	143,186	880,460	1,023,596
Hops.....	19,863	1,328,400	1,348,263
Household furniture.....	237,920	1,877,718	2,115,638
India rubber, manufactures of—shoes.....	9,125	21,810	30,935
Indian corn.....	1,030,043	2,649,091	3,679,133
Meal.....	233,603	1,256,283	1,489,886
Iron and manufactures of—			
Railroad bars or rails.....	19,440	83,632	103,072
Castings and cast pipe.....	44,323	16,736	61,058
Nails.....	27,023	908,752	935,775
Steam engines and boilers.....	23,775	574,777	608,552
Other finished machinery.....	83,853	2,016,771	2,100,624
Machinery furnishings, &c.....	49,509	5,320	54,829
Boiler plate and other wrought.....	800	754	1,554
Safes and wrought doors.....	14,131	44,530	58,661
All other.....	274,361	602,285	876,646
Steel.....	875	3,032	3,907
Steel springs and other mfs of, not spec.....	2,791	53,881	56,672
Lampblack.....	643	4,842	5,485
Leather and manufactures of.....	183,066	334,651	517,717
Lime and cement.....	27,950	57,439	85,389
Lumber—Laths, pickets, &c.....	4,911	22,253	27,164
Marble and stone manufactures.....	50,033	134,439	184,512
Rough stone.....	29,029	40,787	69,816
Masts and spars.....	5,336	134,563	139,904
Matches.....	7,866	145,734	153,600
Mathematical and scientific instruments.....	500	1,213	1,713
Medicines, prepared and patent.....	33,523	81,939	120,465
Musical instruments.....	109,292	161,219	270,511
Oils—Whale and other fish.....	59,295	757,199	816,494
Lard, &c., including tallow oil.....	25,950	129,504	155,454
Onions.....	16,977	203,717	220,694
Oysters.....	9,579	112,590	122,169
Paints Prepared.....	24,629	173,905	198,534
Paper and Stationery.....	95,817	670,611	766,428
Pickles and Sauces.....	4,488	33,065	42,553
Pork and Hogs.....	2,563,330	4,292,063	6,855,393
Potatoes.....	16,329	708,264	724,593
Rags.....	3,665	173,314	176,979
Rice.....	4,702	53,723	63,430
Resin and turpentine.....	3,766	143,896	157,662
Rye and small grain—			
Rye.....	37,395	96,035	133,430
Oats.....	34,715	172,234	206,949
Beans.....	26,083	171,803	197,886
Peas.....	6,780	173,230	180,010
Barley.....	53,472	4,179	57,651
Salt.....	230,298	75,171	305,469
Sand and other ballast.....	4,660	7,693	12,353
Scales and balances.....	9,744	134,523	144,267
Seeds.....	12,135	175,145	187,280
Shingles.....	16,726	153,034	173,760
Skins other than fur.....	16,161	596,623	612,784
Snuff.....	1,223	37,397	38,620
Spirits and liquors other than Alcohol—			
Whiskey.....	17,243	181,230	198,473
Brandy.....	3,255	60,471	63,726
Wines.....	15,337	45,939	61,276
Cordials and all other.....	3,590	62,635	66,225
Starch.....	11,813	199,294	211,107
Stoves and stove furnishings.....	64,915	146,644	211,559
Straw goods.....	1,399	11,365	12,764
Sugar and molasses—			
Brown.....	13,643	1,974	15,617
Refined.....	30,684	254,162	284,846
Molasses.....	12,220	4,048	16,268
Tallow.....	179,470	4,799,665	4,979,135
Tar and Pitch.....	14,717	61,317	76,034
Telegraphic instruments and apparatus.....	3,412	83,164	86,576
Tinware.....	4,210	96,662	100,872
Tobacco manufactured.....	529,723	2,910,251	3,439,974
Cigars.....	9,439	130,327	139,766
Trunk and valises.....	9,402	193,543	202,945
Varnish.....	12,135	54,787	66,922
Vegetables not specified.....	22,603	51,353	73,956
Vinegar.....	11,619	54,481	66,100

Articles exported.	To Canada & Brit. N. A. Provinces.	To all other countries.	Total exports.
Wagons, carts and wheelbarrows.....	10,714	322,064	332,778
Wheat.....	5,006,830	14,390,867	19,397,197
Wheat-flour.....	5,886,396	21,835,635	27,222,031
Window-sashes and blinds.....	11,590	43,222	54,812
Woodenware.....	89,245	267,407	356,652
Wood manufactures not specified.....	70,443	787,793	858,236
Wool.....	33,941	220,780	254,721
Woolen cloths and other manufactures of wool not specified.	53,693	78,851	132,544
Unenumerated articles.....	255,680	285,194	540,874

ANALYSES OF RAILROAD REPORTS. No. 10.

I. Pittsburg, Fort Wayne and Chicago Railway.—II. Illinois Central Railroad.—III. Chicago and Rock Island Railroad.

PITTSBURG, FORT WAYNE AND CHICAGO RAILWAY.

The Pittsburg, Fort Wayne, and Chicago *Railway* Company are a reorganization of the P. F. W. & C. *Railroad* Company, which in 1856 (August 1) had been formed by consolidating three original companies whose lines conjointly connected the cities of Pittsburg, Pa., and Chicago, Ill. The latter, having become involved in debt, was sold out under foreclosure on the 24th October, 1861, and purchased by the agents of the present company, formed February 26, 1862, to which the property was finally conveyed March 1, 1862. This change having been made with the sanction of the stock and bondholders of the old corporation, involved no business revolution, but was simply an amendment in financial arrangement for the benefit of all interests. Since this period the reorganized company have made four annual reports, from which we compile the following statements showing their material and financial condition at the close of each year, and the operations of the company for the four years from January 1, 1862.

RAILROAD AND ROLLING STOCK.

The main railroad of the company is 468 miles long; and in reference to its total length in equivalent single track at the end of each year has exhibited the following changes:

	1862.			1863.			1864.			1865.		
	E.D.	W.D.	Tot'l.	E.D.	W.D.	Tot.	E.D.	W.D.	Tot.	E.D.	W.D.	Tot.
Main line.....	188	280	468	188	280	468	188	290	478	188	280	468
Sec'd track.....	16	...	16	16	...	16	26	...	26	26	7	33
Sidings.....	27	19	46	34	34	68	41	41	82	47	48	95
Total.....	231	299	530	238	314	552	255	321	576	261	335	596

The late Cleveland, Zanesville, and Cincinnati Railroad, commonly called the "Akron Branch," 61 miles, was purchased by the company in 1865. This road extends from Hudson to Millersburg, Ohio, crossing the P., F. W. and C. Railway at Orrville, 124 miles from Pittsburg, 38 from Hudson, and 28 from Millersburg.

Since July 1, 1865, the company has operated under lease the Newcastle and Beaver Valley Railroad, from Homewood, (85 m. W. from Pittsburg) to Newcastle, 15 miles.

The use of that portion of the company's railroad between Pittsburg and Rochester, 26 miles, is rented to the Cleveland and Pittsburg Company at \$85,000 per annum.

By agreement dated December 15, 1862, the P., Ft. W. and C. and the C. and P. railroad companies consolidated their gross earnings, the aggregate to be divided to

the first named in the proportion of 73½ per cent, and to the latter of 26½ per cent. An amendment to this agreement, made Feb. 16, 1866, provides that whenever the gross earnings of either road shall exceed the per centage fixed, such excess shall be equally divided between the contracting parties.

The number of locomotives and cars owned by the company at the close of each fiscal year has been as follows :

	1862.	1863.	1864.	1865.
Locomotives	119	146	183	189
First class coaches.....	53	67	73	93
Second do	8	8	8	8
Mail cars.....	6	6	7	7
Baggage cars.....	14	18	18	22
Express cars.....	3	13	19	19
Emigrant cars.....	8	16	18	18
Box cars.....	655	626	813	883
Stock & caboose.....	316	433	535	547
Platform & coal.....	297	520	629	759
Total cars.....	1,360	1,707	2,119	2,356

Besides which the company own a liberal supply of wood and working cars, snow plows, derricks, &c, &c.

BUSINESS OPERATIONS ON THE ROAD.

The following statements show the mileage of engines, the mileage of passenger and freight cars, the number of passengers carried and the mileage thereof, the tons of freight carried and the tons carried one mile for the same years.

Mileage of locomotive engines hauling cars—

	1862.	1863.	1864.	1865.
Passenger Engines.....	859,308	1,068,170	1,287,158	1,403,345
Freight "	1,651,072	2,114,853	2,293,560	2,837,458
Wood "	122,436	103,269	120,834	120,715
Ballast "	61,651	181,732	217,896	263,481
Total.....	2,694,467	3,472,914	3,918,438	4,624,999

Mileage of passenger and freight cars—

	1862.	1863.	1864.	1865.
Passenger cars	2,246,228	2,855,280	4,315,650	5,522,129
Baggage cars.....	1,182,696	1,258,797	1,710,665	2,169,054
Total in passenger trains.....	3,378,924	4,114,077	6,026,315	7,691,183
Freight cars.....	21,154,406	26,409,318	27,938,931	34,093,899
Total miles run by cars.....	24,533,330	30,523,395	33,965,246	41,785,082

Passengers carried and passenger mileage, &c. :

	1862.	1863.	1864.	1865.
Passengers Eastward.....	312,806	399,175	627,068	691,596
" Westward.....	344,079½	442,867	657,147	769,599
Both directions.....	656,885½	842,032	1,284,215	1,461,195
Mileage: eastward.....	19,517,678½	29,571,835	35,068,591	34,504,081
" westward.....	25,993,776½	31,864,434	54,753,077	67,027,789
Both directions..	45,511,455	61,436,269	89,821,668	101,531,870
Revenue from passengers.....	\$1,116,741	\$1,562,409	\$2,696,886	\$3,391,221

From which we deduce the following proportional results—

	1862.	1863.	1864.	1865.
Ave. journey per passenger.....miles.	69.07	72.96	69.99	69.50
Revenue per passenger	\$1.70	1.86	2.10	2.32
" per mile travelled.....	0:02.47	0:02.54	0:03.00	0:03.34

Tons of freight carried and tons carried one mile, &c. :

	1862.	1863.	1864.	1865.
Tons: eastward.....	872,977	451,871	487,276	465,892
" westward.....	269,130	353,654	371,653	366,723
Both directions.....	642,107	805,525	858,929	832,615

Mileage: eastward.....	83,294,054	105,817,970	110,348,935	122,940,09
" westward.....	42,752,851	60,752,361	64,272,935	64,822,95
Both directions.....	126,046,905	166,570,331	174,621,870	187,763,04
Revenue from freight.....	\$2,401,630	\$3,841,034	\$4,148,504	\$4,732,900

From which are deducted the following results :

Average carriage per ton.....miles.	196.00	206.77	202.31	221.3
Revenue per ton.....	\$2.73	4.14	4.23	5.40
" per ton per mile.....	0:01.90	0:02.91	0:02.23	0:02.4

The freight (tons) included in the above table is classified as follows :

	1862.	1863.	1864.	1865.
Product of forest—lumber.....	40,263	51,100	57,957	51,22
" " —other.....	1,776	1,502	15,914	21,00
Animals—live stock.....	122,231	155,849	164,262	151,22
" products of.....	59,971	70,165	61,660	57,10
Agricult'l products—flour & grain.....	102,973	105,430	101,189	94,20
" " other.....	28,006	31,583	26,855	22,53
Manufactures.....	93,863	121,782	105,792	150,00
Merchandise.....	56,041	103,773	75,590	7,00
Iron rails.....	.....	.....	6,712	12,24
Miscellaneous—coal.....	100,627	120,773	150,153	122,70
" other.....	9,336	15,346	21,822	24,24
Total tons.....	643,107	788,090	858,928	832,05

The following are specifically enumerated—

	1862.	1863.	1864.	1865.
Horses.....head	35,966	41,654	26,198	22,51
Cattle.....".....	85,366	129,573	163,295	221,77
Sheep.....".....	115,837	348,721	444,333	221,74
Hogs.....".....	426,821	480,637	451,654	462,00
Beef.....bbls	13,233	8,759	6,504	5,50
Pork.....".....	23,430	30,147	41,723	4,25
Flour.....".....	392,444	407,504	301,809	45,21
Liquors.....".....	.....	111,057	95,326	25,62

OPERATING ACCOUNTS—EARNINGS, EXPENSES, ETC.

The yearly earnings of the road for the four years ending December 31, 1865, the operating expenses and the net earnings for the same have been as follows :

	1862.	1863.	1864.	1865.
Freight earnings.....	\$2,401,630 18	\$3,841,933 65	\$4,148,503 00	\$4,732,907 16
Passenger ".....	1,116,740 62	1,562,409 05	2,696,387 00	149,656 32
Express ".....	86,107 32	83,063 75	68,306 22	2,291,221 40
Mails ".....	93,900 00	93,900 00	93,400 00	93,900 00
Rent of road to C. & P. R.R. Company...	85,000 00	85,000 00	85,000 00	85,000 00
Other rents.....	2,619 73	2,825 83	1,345 83	4,267 17
Miscellaneous.....	8,312 82	14,701 96	27,023 81	25,354 10
Total earnings.....	\$3,745,810 62	\$5,132,933 74	\$7,120,465 76	\$8,459,663 56
Conducting transportat'n.....	\$504,887 80	\$779,316 48	\$1,036,209 41	\$1,220,973 74
Motive power.....	684,006 55	904,246 19	1,260,900 37	1,520,922 54
Maintenance of way.....	501,420 68	893,811 96	1,113,496 62	1,341,674 26
" " cars.....	169,122 72	282,078 93	834,946 91	539,168 94
General expenses.....	68,980 97	217,856 95	355,850 32	557,210 00
Total expenses.....	\$1,878,398 72	\$2,026,310 56	\$4,101,398 63	\$5,205,515 16
Net earnings.....	\$1,866,911 90	\$2,106,623 18	\$3,019,067 13	\$3,253,548 40

The following abstract of the income account exhibits the total fiscal operations of the company for the same years :

	1862. (8 months)	1863. (year)	1864. (year)	1865. (year)
By balance.....	\$.....	\$.....	\$97,055 00	\$1,812,050 45
By discount on bonds redeemed.....	600 00	.....	.....	.....
By gross earnings.....	2,599,159 84	5,132,933 74	7,120,465 76	8,459,663 56
By C. & P. R.R. Co., on account of joint earnings.....	.....	90,042 33	39,035 33	.....
By assets of trustees, credited to income account.....	.....	362,782 24	116,017 53	.....
By balance to debit side.....	183,671 11	.....	.....	.....
Credit.....	\$2,783,430 45	\$5,585,758 31	\$7,372,573 67	\$10,207,133 73

To balance.....		183,671 11		
To operating expenses.....	1,342,919 64	3,026,310 56	4,101,398 63	5,205,515 58
To interest on bonds.....	427,115 38	760,559 39	922,322 09	889,630 00
To dividends on stock.....			530,782 50	872,827 50
To C. & P. R.R. Co., on account of joint earnings.....			.. ..	277,029 18
To construction, &c....	979,147 56	1,517,163 25	.....	.....
To taxes and sundries.....	43,247 87			
To balance to credit side.....		97,055 00	1,818,070 45	3,062,130 75
Debit.....	\$2,783,430 45	\$5,585,758 31	\$7,372,573 67	\$10,307,133 01

GENERAL ACCOUNT—LEDGER BALANCES.

The financial condition of the company, as shown in general account Dec. 31, yearly, has been as follows :

	1862.	1863.	1864.	1865.
Capital stock.....	\$5,709,591 61	\$6,164,531 89	\$8,181,126 12	\$9,312,442 00
Funded debt.....	12,985,173 00	12,985,173 00	12,656,000 00	12,573,500 00
Due to other companies	44,623 45	34,439 48	60,481 82	184,871 85
Miscellaneous liabilities.....	36,651 54	242,188 22	371,676 71	448,041 24
Current expenses on debt and princ..	418,237 89	544,297 75	833,421 14	849,376 12
Trustees.....	312,399 20	12,110 56	20,893 66	115,331 13
Balance to credit of income.....		97,055 00	1,818,070 45	3,062,130 75
Total.....	\$19,451,676 69	\$20,029,795 90	\$23,942,669 90	\$26,545,693 09
Cost of railway, &c.....	17,726,353 42	18,191,298 70	21,164,329 77	23,183,381 33
Supplies on hand.....	462,541 08	536,719 22	1,052,058 70	969,053 93
Due from other companies.....	121,429 15	296,436 59	603,185 41	417,948 84
Miscellaneous assets.....	306,014 72	674,506 29	768,519 86	963,550 14
Cash in hand.....	641,667 21	330,840 10	851,576 15	1,011,758 85
Balance to debit of income	183,671 11	.....	.....	.....
Total.....	\$19,451,676 69	\$20,029,795 90	\$23,942,669 90	\$26,545,693 09

The principal items (other than current) included under the head of "Miscellaneous Assets," at the close of each fiscal year, are shown in the following statement :

	1862.	1863.	1864.	1865.
Western Union Telegraph Co.....	\$3,830 02	\$7,668 77	\$14,815 87	\$22,743 32
" " " (new).....				9,195 17
Akron Branch Bank (cost).....				179,829 40
Stock account.....				26,951 80
Bond script.....		2,462 81	3,452 46	3,579 71
Sinking funds.....			104,100 00	208,200 00
Crestline estate.....			8,006 60	9,538 99
Illinois & So. Iowa R.R. Co., bond account				10,094 61
Pittsburg Grain Elevator—stock account.....				8,750 00
Union Stock Yards, Chicago.....				149,861 71

The principal items under the head of "Miscellaneous Liabilities," are interest and dividends uncalled for and bills payable—the latter as follows: In 1862, \$2,781; in 1863, \$198,369 26; in 1864, \$228,050, and in 1865, \$286,920 50.

The expenditures on account of construction and equipment, for the last four years, have been to the following amounts :

Fiscal years.	Eastern Division. (188 miles)	Western Division. (250 miles)	Total. (468 miles)
1862 (4 months).....	\$67,472 57	\$64,812 43	\$132,285 09
1863 (8 months).....	363,302 02	606,845 54	970,147 56
1864.....	633,084 01	884,078 24	1,517,162 25
1865.....	1,510,223 03	1,193,518 76	2,703,741 84
1866.....	1,149,575 87	660,334 81	2,009,910 68
Aggregate.....	\$3,723,657 55	\$3,609,589 78	\$7,333,247 33

The funded debt of the company on the 31st December, 1865, was constituted as follows :

Series.	Amount.	Rate.	Interest payable.	First coupon paid.
First Mortgage Bonds—A.....	\$875,000	7	Jan. & July.	July 1, 1862
(dated Mar. 1, 1862, and payable July 1, 1912.) B.....	875,000	7	Feb. & Aug.	Aug. 1, 1862
C ..	875,000	7	Mar. & Sep.	Sep. 1, 1862
D.....	875,000	7	April & Oct.	Oct. 1, 1862
E.....	875,000	7	May & Nov.	Nov. 1, 1862
F....	875,000	7	June & Dec.	Dec. 1, 1862

Second Mort'ge Bonds—G.....	800,000	7	Jan. & July.	Jan. 1, 1856
(dated Mar. 1, 1862, H.....	800,000	7	Feb. & Aug.	Feb. 1, 1856
and payable July I.....	800,000	7	Mar. & Sep.	Mar. 1, 1856
(1, 1912.) K.....	800,000	7	April & Oct.	Oct. 1, 1856
L.....	800,000	7	May & Nov.	Nov. 1, 1856
M.....	800,000	7	June & Dec.	Dec. 1, 1856
Third Mortgage Bonds. } ..	2,000,000	7	April & Oct.	.....
(dated, &c., same.) } ..				
Bridge Bonds (C. & P. RR.) } ..	163,500	7	May & Nov.	Nov. 1, 1856
(dated May 1, 1856; } ..				
due May 1, 1876.) } ..				
Total.....	\$12,573,500			

COST OF ROAD AND EARNINGS, ETC., SINCE CONSOLIDATION.

The business of the consolidated road dates from August 1, 1856. The following shows the progress of construction, and the result of operations for the nine years and five months since that date to December 31, 1865 :

Fiscal years.	Cost of road, &c.	Miles of road.	Gross earnings.	Operating expenses.	Nett earnings.	Divid on stock
1 56 (5 mon).....	\$12,764,894	388	\$795,579	\$273,434	\$522,145	...
1857.....	14,048,759	383	1,660,425	1,086,011	625,414	249.30
1858.....	14,631,110	383	1,567,232	965,573	601,659	...
1859.....	15,557,779	465	1,965,968	1,291,373	674,595	...
1860.....	16,700,407	467	2,335,354	1,573,799	761,555	...
1861.....	18,663,595	467	2,031,787	1,732,066	1,299,721	...
1862.....	17,736,353	468	2,745,311	1,878,399	1,866,912	...
1863.....	18,191,293	468	5,132,934	3,026,311	2,106,623	...
1864.....	21,164,330	468	7,130,466	4,101,399	3,019,067	530.79
1865.....	23,182,381	468	8,489,069	5,205,515	3,283,554	574.57

The following, deduced from the above statement, exhibits the cost, earnings, &c. per mile, the rate of expenses to earnings and of the nett earnings to cost of road, also, the rate of dividends paid for the same years :

	Cost of road, &c. p. mile.	—Per mile of road.—			—Rates p. c.—		Divid on stock p. c.
		Gross earnings.	Operat'g expenses.	Nett earnings.	Exp. to nett earnings.	to cost of road.	
1856.....	\$37,800	\$2,354	\$513	\$841	21.79	2.23	25
1857.....	36,700	4,336	2,705	1,631	62.30	4.44	6
1858.....	38,200	4,092	2,531	1,571	61.62	4.11	25
1859.....	33,400	4,228	2,777	1,451	65.68	4.34	...
1860.....	35,500	5,001	3,870	1,631	66.74	4.69	...
1861.....	39,990	6,492	3,709	2,783	57.13	6.95	...
1862.....	37,600	8,003	4,014	3,989	50.00	10.61	...
1863.....	38,900	10,968	6,463	4,505	58.92	11.61	...
1864.....	45,200	15,214	8,763	6,451	57.66	14.27	74
1865.....	49,500	18,139	11,128	7,016	61.45	14.19	30

PRICE OF STOCK AT NEW YORK.

The following table exhibits the monthly range of prices paid for the stock of the company in New York during the years 1863, '64 and '65 :

	1863.	1864.	1865.
January.....	60½ @ 76	82½ @ 89	90 @ 107½
February.....	61½ @ 68½	87 @ 101	90 @ 97½
March.....	56 @ 67	93 @ 146½	77½ @ 143½
April.....	57 @ 69	101 @ 152½	80½ @ 100
May.....	67½ @ 85½	105½ @ 121½	90½ @ 102
June.....	61 @ 78½	112 @ 119	91½ @ 97
July.....	64 @ 78½	109 @ 117	95½ @ 107
August.....	71 @ 96	110 @ 117	98 @ 97½
September..	71 @ 92½	94 @ 110½	97½ @ 100
October.....	82½ @ 91	87 @ 102½	95½ @ 107
November.....	78 @ 90	100½ @ 110	101½ @ 107½
December.....	79½ @ 87	99½ @ 106½	102 @ 107½
Year.....	56 @ 96	82½ @ 152½	77½ @ 107

ILLINOIS CENTRAL RAILROAD.

The Illinois Central Railroad appears on the map as a great Y, with its foot resting on Cairo at the confluence of the Ohio with the Mississippi, and its arms—the one on Chicago, the principal port of Lake Michigan, and the other on Dunleith (opposite Dubuque), the most northerly port of Illinois on the upper Mississippi. The length of these several constituents of the road is as follows:

Leg.....	Centralia to Cairo.....	112 miles.
Right arm....	“ to Chicago.....	253 “
Left arm.....	“ to Dunleith	343 “
Total length of lines owned by Company.....		703 miles.

The whole line was completed and opened for travel and traffic in 1856, the last rail having been laid down on the 27th September of that year. Since this date ten annual reports have been issued ; but as the whole road has been in use less than ten years the following statements so far as they relate to business operations, cover only the results of the nine full years ending December 31, 1865. The fiscal operations of the company are given for the ten years 1856—1865 both inclusive.

EQUIPMENT—ENGINES AND CARS.

The following statement exhibits the amount of rolling stock, in use or otherwise owned by the company at the close of the fiscal years 1856–65:

Close of years.	Loco-motives.	Number of Cars.—Pass. Bag., &c. Fre't.			Close of years.	Loco-motives.	Number of Cars.—Pass. Bag., &c. Fre't.		
1856.....	91	69	18	1,610	1861.....	128	71	23	2,347
1857.....	127	75	22	2,301	1862.....	112	71	23	2,312
1858.....	129	72	24	2,305	1863.....	116	72	29	2,955
1859.....	128	73	23	2,382	1864.....	126	78	29	3,275
1860.....	129	61	22	2,310	1865.....	148	79	33	3,337

The locomotives on December 31, 1865, were classified as follows:—25 in passenger trains, 81 in freight trains, 8 in working trains, 16 in switching, 1 in running pay car and 22 under repairs in shops. Excepting 9, all the locomotives were coal burners.

OPERATIONS—ENGINE MOVEMENTS, PASSENGER AND FREIGHT TRAFFIC, ETC.

The following statements exhibit the main features of the operations of the company yearly for the nine years ending December 31, 1865.

The miles run by locomotives hauling trains were as follows :

Years.	Pass.	Freight.	Work'g	Wood.	Switch'g.	Total.	Cost p m.
1857.....	968,443	865,921	160,765	71,061	163,708	2,229,898	26:23 cts.
1858.....	899,925	726,480	185,843	29,200	156,696	1,998,144	19:81 “
1859.....	953,238	838,205	175,447	42,030	133,894	2,142,864	20:78 “
1860.....	926,843	1,124,562	122,277	61,737	202,403	2,437,822	20:17 “
1861.....	807,386	1,348,558	62,994	34,675	204,380	2,458,023	18:92 “
1862.....	855,522	1,224,332	59,176	1,780	420,382	2,561,192	17:42 “
1863.....	952,875	1,611,197	110,886	1,769	383,970	3,010,697	22:28 “
1864.....	942,580	1,997,709	75,826	4,620	366,115	3,386,850	33:52 “
1865.....	1,010,961	1,977,163	69,878	3,027	446,487	3,507,466	37:44 “

The number and mileage of passengers, &c., yearly, were as follows :

Fiscal years.	Miles run by trains.	Number of passeng's.	Passengers carried one mile.	Average miles to pass.	Revenue.	
					Amount.	P. pass. p. m.
1857....	968,443	714,707	53,243,800	74.7	\$1,064,973	2:00 cts
1858.....	899,925	568,670	32,812,259	55.9	819,829	2:49 “
1859.....	953,238	609,585	33,464,814	63.1	811,412	2:09 “
1860.....	926,843	426,391	39,111,459	79.6	846,693	2:16 “
1861.....	807,386	491,583	33,099,185	67.3	804,769	2:43 “
1862.....	855,522	674,767	62,580,421	92.7	1,329,766	2:12 “
1863.....	952,875	852,659	73,078,752	85.7	1,797,972	2:46 “
1864.....	944,580	1,108,937	96,611,726	87.3	2,360,396	2:44 “
1865.....	1,010,961	1,214,054	83,614,439	73.0	2,722,262	2:07 “

The number of tons of freight carried, and the tons of freight carried one mile, &c., are shown in the following statement:

Fiscal years.	Miles run by trains.	Tons of freight carried.	Tons carried one mile.	Average miles p. ton.	Revenue.	
					Amount.	P. ton.
1857	865,931	440,333	.....	.....	\$1,037,936	....
1858	736,480	361,568	.....	.....	975,945	....
1859	838,205	422,433	51,650,864	122.8	1,107,019	214
1860	1,124,563	590,343	85,102,689	144.2	1,423,711	121
1861	1,348,538	720,866	103,437,547	143.0	1,978,126	141
1862	1,234,332	806,685	101,762,144	126.0	1,995,763	156
1863	1,611,197	952,814	134,777,404	141.4	2,632,559	155
1864	1,997,709	1,022,024	153,271,668	150.7	3,853,806	191
1865	1,977,163	1,044,946	136,494,661	132.8	4,341,173	219

FISCAL OPERATIONS—EARNINGS, EXPENSES, ETC.

The sources and amount of gross earnings, the expenses of operating the road, and the amount of profits yearly for the ten years ending December 31, 1865, are shown in the following statement :

Fiscal years.	Gross earnings.				Operating expenses.	Profits.	
	Passeng's.	Freight.	Other.	Total		Gross.	Net.
1856	\$1,112,402	\$1,156,471	\$207,162	\$2,476,035	\$1,459,966	\$1,016,069	\$476,069
1857	1,064,978	1,037,968	254,237	2,357,203	1,820,134	537,119	217,085
1858	819,829	975,945	180,804	1,976,578	1,419,955	556,623	424,594
1859	811,412	1,107,019	196,018	2,114,449	1,509,580	604,869	422,756
1860	846,693	1,623,711	251,187	2,721,591	1,693,404	1,028,187	524,783
1861	804,769	1,976,136	218,707	2,999,612	1,584,344	1,415,268	1,130,924
1862	1,329,766	1,995,767	220,294	3,445,827	1,615,236	1,830,591	1,605,355
1863	1,797,972	2,566,759	272,097	4,636,828	2,151,787	2,485,041	2,113,254
1864	2,200,393	3,706,632	262,417	6,229,447	3,460,739	2,868,708	2,427,169
1865	2,722,262	4,040,587	418,259	7,181,208	4,509,794	2,671,414	2,171,620

The last column shows the profits less the charter tax of 7 per cent on the gross earnings, payable to the State of Illinois. Including the income from land the receipts have been as follows :

Fiscal Years.	Profits as above.	—Net rec. from L'd D'p't applic. to—				Profits & loss.	Total mem.
		Interest fund	Construct'n bonds.	Free land bonds.	Free land fund.		
1856	\$938,437	\$204,861	\$116,104	\$11,847	.....	.....	\$1,271,249
1857	891,473	300,529	478,788	54,401	.....	.....	1,725,191
1858	424,618	157,114	374,173	58,951	.....	.....	1,014,856
1859	492,765	72,202	39,545	14,802	\$44,762	.....	1,010,076
1860	850,630	173,069	428,164	.....	52,000	.....	1,503,863
1861	1,150,903	228,853	339,923	.....	72,376	.....	1,791,055
1862	1,600,571	212,526	192,991	.....	57,627	.....	2,063,715
1863	2,118,847	669,344	466,706	.....	151,064	.....	2,345,961
1864	2,463,194	730,971	1,440,090	.....	220,620	\$62,604	4,916,879
1865	2,174,924	422,905	1,212,062	.....	268,910	59,892	4,188,693

From which were disbursed the interest and dividend accounts as follows:

Fiscal Years.	Coupons on bonds, viz—				Interest on full stock.	Steril- ing ex- change.	Divid's on shares.	Cancel'd on bonds, & div'd's.
	Construc- tion.	Free land.	Other bonds.	Redemp- tion.				
1856	\$1,095,187	\$209,552	.....	.....	.....	.....	.....	.....
1857	1,081,318	207,445	\$58,590	.....	.....	.....	.....	.....
1858	1,110,610	202,460	27,527	.....	.....	.....	.....	.....
1859	1,065,085	187,635	44,820	.....	.....	.....	.....	.....
1860	1,026,507	119,497	38,500	.....	\$111,971	.....	.....	.....
1861	1,026,987	.....	30,827	.....	319,062	.....	.....	.....
1862	1,008,867	.....	28,733	.....	357,640	.....	.....	.....
1863	990,337	.....	25,790	.....	194,500	\$77,670	\$772,056	.....
1864	950,212	.....	23,055	\$26,760	.....	118,718	1,665,830	\$1,772,226
1865	643,875	.....	12,625	153,540	.....	128,537	2,236,567	.....

—and up to the close of 1857 interest was paid on the share stock. The balance remaining after paying the above has mainly been applied to construction.

CAPITAL ACCOUNT.

The following is an analysis of the General Balance Sheet presented at the close of each year:

Close of y'r.	Capital stock.	Cancelled construc. bonds scrip.	Funded debt.	—Bonds canc'd by float.		Net Habil- ities.	Bonds deliv'd Land Dept.*	Total amount.
				Construc.	Land Depart- F.l'ds.			
'56.....	\$ 2,258,615		\$ 17,705,495			\$ 2,136,229		\$ 23,100,839
'57.....	6,556,495		18,004,650			2,807,042		26,872,127
'58.....	80,181,210		17,532,779			396,187		98,163,156
'59.....	11,117,090		17,962,749			675,603		29,020,202
'60.....	15,654,980		15,672,840		7,621			31,211,720
'61.....	15,829,095	1,884,500	15,277,500	2,086,500	188,000	172,929		33,504,024
'62.....	16,894,860	1,772,270	15,000,500	2,276,500	188,000			36,071,630
'63.....	17,943,700	1,772,270	14,649,000	2,671,000				36,835,970
'64.....	20,808,100	169,010	13,232,000				2,871,000	38,080,110
'65.....	23,874,400	87,160	12,831,500				4,925,000	40,668,060

Against which are charged, viz. :

Fiscal Years.	Permanent Expendit's.	Interest & Dividend account.*	Sundry Items.	Net assets in Chic. & N. Y.	Working stock of supplies.	Total account.
1856.....	\$21,447,949	\$1,623,538	\$24,852			\$23,100,839
1857.....	23,437,669	2,829,053			\$605,405	26,872,127
1858.....	23,726,241	3,884,733			551,182	28,163,156
1859.....	24,166,782	4,728,203	695,268		429,954	30,020,202
1860.....	27,195,391	4,996,214	81,054	\$509,940	479,121	33,211,720
1861.....	27,492,988	4,978,366		544,565	488,103	33,504,024
1862.....	27,764,671	6,284,741†		1,495,081	616,136	39,971,630
1863.....	28,610,229	5,283,920†		1,826,396	615,425	36,835,970
1864.....	29,675,410	4,521,103	353,673	2,456,242	1,073,677	38,080,110
1865.....	30,519,244	7,161,608	367,967	1,732,163	876,478	40,668,060

The following statement exhibits the amount of each series of bonds outstanding December 31, yearly :

Dec. 31,	Construction bonds.	Free land bonds.	Optional right bonds.	Deben- tures.	8 per ct. bonds.	Total amount.
1856.....	\$14,798,945	\$2,079,877	\$326,673	\$.....	\$.....	\$17,705,495
1857.....	15,192,559	2,079,877	736,214			18,006,650
1858.....	15,397,903	2,079,877	65,000			17,532,779
1859.....	15,837,903	2,079,877	61,000	483,970		17,962,749
1860.....	15,253,500	6,000	88,000	42,740	332,100	15,672,840
1861.....	14,918,500		88,000		326,000	15,277,500
1862.....	14,329,000		83,000		287,000	14,649,000
1863.....	14,794,500		83,000	Redemp. bds.	304,000	15,181,500
1864.....	10,872,000		83,000	2,086,000	241,000	13,232,000
1865.....	9,733,500		82,000	2,563,000	2,000	12,831,500

PROPORTIONAL DEDUCTIONS.

The following, deduced from the forgoing statements, exhibit the cost of the prop-
erty, the amounts earned and expended in operations, and the net earnings per
mile of road ; the proportion of expenses to earnings, and of net earnings to cost of
property ; and the rate of dividends paid on the capital stock for the ten years clos-
ing with December 31, 1866 :

Fiscal years.	Cost of property per mile.	—Amount per mile.—			Expenses to earn- ings.	Net earn. to Div.on cost of stock, property. p. c.	
		Gross earnings.	Operati'g expenses.	Net earnings.			
1856.....	\$30,294	\$3,497	\$2,172	\$1,325	62.11	4.87	..
1857.....	23,104	3,329	2,776	553	83.39	6.67	..
1858.....	33,512	2,792	2,193	599	78.55	1.80	..
1859.....	34,124	2,996	2,290	696	76.69	2.04	..
1860.....	33,412	3,844	2,643	1,201	68.97	3.13	..
1861.....	36,833	4,095	2,470	1,625	60.32	4.19	..
1862.....	39,217	4,867	2,606	2,261	58.54	5.77	..
1863.....	40,410	6,549	3,555	2,994	54.80	7.41	4
1864.....	41,914	8,940	5,461	3,479	61.09	8.80	8
1865.....	43,107	10,143	7,071	3,072	69.71	7.13	10 & 10
1866, Dividend in February.....							5

* Less amount in hands of Trustees.
† & ‡ Including Trustees Peoria & Oquawka R.R. bonds.
‡ Interest and dividend account, less avails of interest fund.
‡ Including \$1,772,270 cancelled bonds scrip dividends of October, 1858, and January

PRICE OF STOCK AT NEW YORK.

The following statement exhibits the monthly range at which the company's stock has sold for the last past six years :

	Scrip Stock.			Full Stock.		
	1860.	1861.	1862.	1863.	1864.	1865.
Jan.....	55½@58½	74½@88½	61 @64	83½@ 91	112 @122	111 @12½
Feb.....	56 @57	69½@84½	55½@65½	88 @ 93	115 @125	114 @12
Mch.....	58 @63	75½@83	61½@66½	91 @ 91	123 @135½	90 @13
Apr.....	59½@62½	55½@81½	57 @63	89 @ 90	121 @133	92 @11½
May.....	59 @64½	57 @70½	60 @64	94 @107	115 @129	113 @119½
June.....	61 @64	62 @69	60½@66½	92 @ 95	129 @132½	116 @12
July.....	62½@77	62 @69½	55½@61½	96 @106	124 @131	122½@132½
Aug.....	74½@89	63½@65	57 @63½	106 @126	128 @133	119½@134½
Sept.....	83½@89½	64½@68½	61½@77	111 @123	116½@128½	123½@135½
Oct.....	70½@86½	65 @69½	76½@84½	118 @116	110½@130	130 @12½
Nov.....	57½@74½	80½@85½	74 @81½	115½@119½	123 @131½	131½@135
Dec.....	51½@75	56 @63	76½@80	112½@112½	121 @131	131 @134
Year.....	55½@89½	55½@88½	55½@84½	83½@126	110½@133	906½@134

CHICAGO AND ROCK ISLAND RAILROAD.

The Chicago and Rock Island Railroad extends from Chicago to Rock Island, a distance of	161.8 miles
The Peoria and Bureau Valley Railroad, which is leased and operated by the C & R. I. Co., extends from Bureau Junction (114 miles west from Chicago) to Peoria, has a length of.....	46.6 "
Total line, owned, leased and operated.....	208.4 miles

The doings of this Company for the five years and nine months ending March 31, 1866, a period covering the war era, are summed up in the following statements.

The extent of new side track, and the replacements by new and rerolled rail yearly have been as follows :

	1862-3. (Year.)	1863-4. (Year.)	1864-5. (Year.)	1865-6. (Year.)
New side track.....miles.	.....	2.59	1.20	1.7
Re-laid with new iron.....	20.25	19. 6	5.30	11.6
Re-laid with re-rolled iron.....	.....	.....	22.80	4.5
Total miles laid and relaid .....	.....	.....	29.30	5.7
Gross weight of new iron	1,003	604	500	99
Gross weight of re-rolled iron.....	814	2,070	2,066	4,136
Gross weight of Atlas steel rails.....	.....	.....	.....	2

These additions and repairs are exclusive of rails repaired at Company's shops.

The number of locomotive engines owned by the Company at the close of the last year has been as follows:

	1860-1. (Year.)	1861-2. (9 mo's)	1862-3. (Year.)	1863-4. (Year.)	1864-5. (Year.)	1865-6. (Year.)
Locomotive engines..	61	61	59	6

The description and number of cars built, purchased and re-built in the two last years are shown in the following :

	Built		Purchased		Re-built	
	1864-5.	'65-6.	'64-5.	'65-6.	'64-5.	'65-6.
Passenger, Mail and Baggage.....	.....	8	20	6	...	...
Freight.....	155	109	173	21	100	...
Total.....	155	112	193	27	100	...

BUSINESS OPERATIONS, YEARLY.

The following statements show the operations on the road, viz; the mileage of engines, the number and mileage of passengers, the tons and mileage of freight, the number of loaded cars and tons of freight crossing the Mississippi Bridge, &c., &c., yearly.

MILEAGE OF ENGINES HAULING TRAINS.

	(9 Months.)					
	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Passenger eng's.....	349,530	264,665	354,267	348,818	347,582	364,870
Freight engines.....	437,269	434,649	579,115	74,008	733,056	791,387
Wood & gravel do....	92,858	66,635	97,502	90,004	82,014	98,594
Total mileage.....	879,657	765,949	1,030,884	1,162,880	1,212,656	1,254,857
Cost of run'g eng.....	\$201,529	\$152,424	\$214,218	\$245,949	\$401,519	\$474,111
Average cost permile run, cts.	22.91	19.90	20.78	21.15	33.11	38.39.

PASSENGER TRAFFIC.

	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Through passengers carried.....	.....	.....	29,352	45,180	70,234	61,371
Day " ".....	.....	.....	223,892	279,114	393,632	376,878
Passengers carried West.....	.....	76,168	122,566	166,167	227,854	204,343
" " East.....	.....	72,661	130,678	158,077	236,012	233,401
" " both ways.....	199,718	148,829	253,244	324,244	463,866	437,744
" " one mile.	11,297,283	8,829,401	14,206,292	20,401,500	29,888,967	26,934,579
Avg. rate per pas. per mile, cts....	2.99	2.87	3.05	3.15	3.41	3.73

FREIGHT TRAFFIC.

	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Wood cars going West.....	12,830	16,895	20,811	24,015	23,995
" " East.....	24,318	31,228	31,589	32,708	31,099
" " West & East.....	36,648	47,623	52,400	56,723	55,097
Freight carried—tons (2,000 lbs) ...	301,669	235,144	379,879	441,510	472,557	459,966
Average load, do do.....	7.79	7.96	8.42	8.46	8.35
Tons carried 1 mile.	38,558,462	56,539,150	63,414,831	59,218,395
Average rate per ton per mile, cts....	2.69	2.58	3.50	3.45

Business between the Illinois and Iowa shores, illustrated by statements of the cars and freight passing over the Mississippi River Bridge—navigation of the Mississippi River at Rock Island illustrated by the number of steamers, barges, and rafts, passing the draw of the bridge yearly:

	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
Loaded Cars....	Going West.....	6,925	4,794	5,866	7,993	9,913
	Going East.....	7,277	8,460	8,306	10,116	10,109
	West and East.....	14,202	13,254	14,172	18,114	20,022
Tons of Freight	Going West.....	46,360	32,427	39,039	50,741	68,844
	Going East.....	62,752	67,019	71,542	89,914	81,157
	West and East.....	109,112	99,446	110,581	140,655	150,001
Foot passengers	Going West.....	34,815	33,254	40,277	70,962	57,834
	Going East.....	35,254	33,362	40,166	69,932	58,371
	West and East.....	70,069	66,616	80,443	140,894	115,755
Steamers.....	Going North.....	431	152	353	106	162
	Going South.....	43	154	354	203	167
	North and South.....	.....	306	707	308	329
Barges.....	Going North.....	.....	.....	.....	155	125
	Going South.....	.....	.....	.....	129	110
	North and South.....	.....	.....	.....	284	235
Rafts going South.....	.....	121	287	276	296	576

FINANCIAL RESULTS OF OPERATION.

The following statements exhibit the gross earnings, the operating expenses, and net earnings or profits yearly:

	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
		(9 mos.)				
Passeng. earnings.....	\$338,112	\$254,071	\$433,297	\$643,775	\$1,021,779	\$1,005,872
Freight.....	784,023	737,144	1,034,850	1,448,965	2,222,809	2,016,306
Mail.....	21,200	21,200	21,200	21,200	21,200	21,200
Other.....	20,683	22,289	39,794	35,935	94,102	110,857
Total gross earnings.....	1,164,018	1,054,704	1,529,141	2,148,875	3,359,890	3,154,235
Total operng. exp.....	708,054	531,337	800,937	1,040,462	1,167,681	1,711,454
Net earnings—profits.....	455,964	523,367	728,204	1,108,413	1,891,709	1,442,781

The net earnings were disposed of as follows:

	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
P. & B. R.R. Lease.....	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000	\$125,000
U. S. Tax on passgr. fares.....	.....	.....	5,353	16,415	64,770	93,723
Illinois Tax on Real Estate.....	32,615	11,408	35,001	38,978	54,318	63,462
Loss on Illinois currency.....	26,557	.....	.....	.....	.....	.....
Legal expenses.....	.....	2,287	3,908	4,061	5,608	7,362
Extraordinary repairs, &c.....	53,868	35,875	45,791	67,754	68,190	46,438
Interest on Funded Debt.....	97,790	97,790	100,135	102,690	102,532	101,535
Interest on Bridge Bonds.....	.....	.....	.....	22,934	40,000	40,000
Dividends (Incl. Excise Tax).....	.....	168,090	328,239	343,438	375,041	631,579
Balance Credit Income.....	120,134	82,866	74,726	332,142	1,056,250	333,682

GENERAL ACCOUNT—LEDGER BALANCES.

The financial condition of the company at the close of the fiscal years ending Jan 30, 1861 and March 31, 1862-66 is shown in the following abstract:

	1861.	1862.	1863.	1864.	1865	1866
Capital stock.....	\$5,603,000	\$5,603,000	\$5,603,000	\$5,600,000	\$5,700,000	\$5,800,000
Mortgage bonds.....	1,397,000	1,397,000	1,397,000	1,397,000	1,397,000	1,397,000
Income bonds.....			73,000	70,000	62,500	5,000
Sundries.....	180	4,796	11,078			
Bal. of income.....	421,008	540,444	661,961	977,532	2,024,132	1,871,274
Total.....	7,421,854	7,545,290	7,742,039	8,444,532	9,485,332	10,023,774
Accounted for, as follows:						
R'd & equipment.....	\$6,967,710	\$7,023,939	\$7,009,787	\$7,422,422	\$7,504,332	\$7,500,000
Fuel and mat'ls.....	89,967	60,154	62,368	156,978	207,290	25,221
Company's stock.....	101,500	101,500	101,500			
Misc. & Mo. R.R. bonds.....				116,250	500,000	32,240
Misc. Bridge Co.....		30,000	30,000			
Assets and unacc.....	2,890		279,714	116,872	245,732	174,800
Cash.....	280,867	187,000	309,880	624,700	728,642	90,000
Total.....	7,421,854	7,545,290	7,742,039	8,444,532	9,485,332	10,023,774

GENERAL REVIEW FOR TEN YEARS.

The following table gives the cost of the road (228.4 miles) estimating the cost of the P. & B. Val. R. R. at \$1,250,000 and the earnings, expenses and profits of operating the road, &c., &c. yearly for the ten years ending March 31, 1866:

	Cost of Road and equipment.	Gross earnings.	Ordinary operating expenses.	Profits or net earnings.	Interest on funded debt.	Dividend paid on stock.	Taxes, &c.
1856-57.....	\$7,878,278	\$1,896,196	\$1,036,157*	\$860,489	\$137,970	\$47,670	\$ 60
1857-58.....	8,026,119	1,407,848	778,817*	629,039	99,715	450,000	24,84
1858-59.....	8,026,119	820,300	537,668	282,632	97,790		20,67
1859-60.....	8,163,554	1,193,934	622,603	471,331	97,790	167,597	44,75
1860-61.....	8,237,710	1,164,018	706,054	457,964	97,590		12,34
1861-62.....	8,273,936	1,054,704†	531,287†	523,317	197,790	168,000	22,96
1862-63.....	8,319,737	1,529,141	800,967	728,174	100,135	228,000	71,70
1863-64.....	8,479,433	2,143,875	1,040,462	1,103,413	102,000	342,436	26,75
1864-65.....	9,054,928	2,369,390	1,467,661	1,891,709	102,522	375,941	1,02,75
1865-66.....	9,300,123	2,154,235	1,711,454	1,442,781	101,535	631,379	22,60

In the following table will be found deductions from the foregoing, giving the cost of road, &c., per mile, the earnings, &c., per mile, and the rates of expenses to earnings and of profits to cost, with the dividends, &c., annually:

	Cost of road, p. m.	Per mile of Road. Earnings.	Exp's.	Profits.	Exp's to earnings.	Profits to cost.	Dividends.
1856-57.....	\$34,558	\$8,258	\$4,537	\$3,721	54.94	10.78	14.24
1857-58.....	35,202	6,164	3,410	2,754	56.32	7.91	
1858-59.....	35,202	3,808	2,864	1,000	60.47	4.24	
1859-60.....	35,805	4,729	2,726	2,003	56.97	5.75	3
1860-61.....	36,120	5,046	2,190	1,995	60.83	5.33	
1861-62.....	36,365	4,617	2,346	2,271	60.36	6.31	6
1862-63.....	36,468	6,695	3,705	2,990	58.38	8.19	6
1863-64.....	36,067	9,336	4,856	4,500	48.53	12.70	6
1864-65.....	39,714	14,239	6,426	8,343	43.81	20.75	5
1865-66.....	40,790	12,834	7,506	6,328	54.25	15.51	10

MARKET VALUE OF STOCK AT NEW YORK.

The monthly ranges of prices in the New York market of the stock of the C. & B. I. Co., are shown in the subjoined statement:

	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
April.....	63½@67½	64 @58			110 @.34	111½@.28
May.....	64½@71½	60½@59			105 @119	91 @.16
June.....	67½@70½	62½@56½			210 @117½	82 @.20
July.....	70½@77½	61 @55			107½@114	101½@.18½
Aug.....	79 @84½	67½@41½			108½@114½	102 @.18
Sept.....	77½@52½	41½@46			95 @109½	103½@.18½
Oct.....	60 @77½	45½@53			85½@97	79 @.17½
Nov.....	50 @66	51 @58½			90 @110	78½@.18½
Dec.....	47½@54	44½@54½			101½@106½	104½@.18½
Jan.....	52½@59	50 @55½			88½@105½	93½@.18½
Feb.....	53½@61½	52½@57			89½@98½	91 @.18
Mar.....	56 @61	55 @59½			85½@100	101½@.18½
Year.....	42½@54½	30½@59½	53½@96½	86½@149½	65½@121	81½@104½

* Including taxes on real estate.

† Operations for nine months only.

MISSOURI—ST. LOUIS, THE COMMERCIAL CENTRE OF NORTH AMERICA.

BY S. WATERHOUSE.

St. Louis is ordained by the decrees of physical nature to become the great inland metropolis of this continent. It cannot escape the magnificence of its destiny. Greatness is the necessity of its position. New York may be the head, but St. Louis will be the heart of America. The stream of traffic which must flow through this mart will enrich it with alluvial deposits of gold. Its central location and facilities of communication unmistakably indicate the leading part which this city will take in the exchange and distribution of the products of the Mississippi Valley. St. Louis is situated upon the west bank of the Mississippi, at an altitude of 400 feet above the level of the sea. It is far above the highest floods that ever swell the Father of Waters. Its latitude is thirty-eight degrees thirty-seven minutes twenty-eight seconds north, and its longitude ninety degrees fifteen minutes sixteen seconds west. It is twenty miles below the mouth of the Missouri, and two hundred above the confluence of the Ohio.

Distance by river		Miles.	Distance by rail		Miles.
From St. Louis to	Keokuk.....	200	From St. Louis to	Indianapolis.....	200
"	" Burlington.....	260	"	" Chicago.....	260
"	" Rock Island.....	350	"	" Cincinnati.....	340
"	" Dubuque.....	490	"	" Cleveland.....	470
"	" St Paul.....	800	"	" Pittsburgh.....	650
"	" Cairo.....	200	"	" Buffalo.....	650
"	" Memphis.....	440	"	" New York.....	1,000
"	" Vicksburg.....	840	"	" Lawrence.....	320
"	" New Orleans.....	1,200	"	" Denver.....	880
"	" Louisville.....	600	"	" Salt Lake.....	1,800
"	" Cincinnati.....	750	"	" Virginia City.....	1,900
"	" Pittsburgh.....	1,200	"	" San Francisco.....	2,300
"	" Leavenworth.....	500			
"	" Omaha.....	800			
"	" Sioux City.....	1,000			
"	" Fort Benton.....	3,000			

St. Louis very nearly bisects the direct distance of 1,400 miles between Superior City and the Balize. It is the geographical centre of a valley which embraces 1,200,000 square miles. In its course of 3,200 miles, the Mississippi borders on Missouri 470 miles. Of the 3,000 miles of the Missouri, 500 lie within the limits of our own State. St. Louis is mistress of more than 16,500 miles of river navigation.

This metropolis, though in the infancy of its greatness, is already a large city. Its length is about eight miles, and its width three. Suburban residences, the outposts of the grand advance, are now stationed six or seven miles from the river. The present population of St. Louis is about 200,000. In 1865, the real and personal property of the city was assessed at \$100,000,000.

St. Louis is a well built city, but its architecture is rather substantial than showy. The wide, well-paved streets, the spacious levee and commodious warehouses, the mills, machine-shops and manufactories, the fine hotels, churches and public buildings, the universities, charitable institutions, public schools and libraries, constitute an array of excellences and

attractions of which any city may justly be proud. The Lindell and Southern Hotels are two of the largest and most magnificent structures which the world has ever dedicated to public hospitality. The Lindell is itself a village.*

The appearance of St. Louis from the eastern bank of the Mississippi is impressive. At East St. Louis, the eye sometimes commands a view of 100 steamboats lying at our levee. Notwithstanding the recent destruction by ice and fire of 10 or 15 boats, and the departure of more than 30 for Montana, there are at this date 70 steamers in the port of St. Louis. A mile and a half of steamboats is a spectacle which naturally inspires views of commercial greatness. The sight of our levee, thronged with busy merchants, and covered with the commodities of every clime, from the peltries of the Rocky Mountains to the teas of China, does not tend to lessen the magnitude of the impression.

The railroad system of Missouri is exhibited in the following tabular statement :

Railroads.	Miles.	Railroads.	Miles.
Cairo and Fulton.....	87	North Missouri.....	170
Platte Country.....	52	Hannibal and St. Joseph.	252
S. W. Branch of Pacific.....	76	Pacific.....	223
Iron Mountain.....	87		
Total length of railroads in operation within the State.....			935

A vast enlargement of our railroad facilities is contemplated. More than 10,000 miles have been projected on the west side of the Mississippi. A quarter of a century may elapse before the completion of these extensions, yet the very conception of them shows that the public mind is alive to the importance of ampler means of communication with the States and Territories of the far West. Most of these roads have received grants of land from the Government, and upon some of the lines the work is already far advanced. The terminal points of the most important roads are: Superior City and New Orleans via St. Paul, St. Louis, and Memphis; St. Louis and San Francisco via Kansas City and Salt Lake; Kansas City and Fort Benton via Omaha; Leavenwerth and Galveston via Lawrence; St. Louis and San Diego via Springfield. The extension of this last line from Rolla merely to the south-west corner of Missouri would be an incalculable benefit. The trade of the north-western roads may be partially diverted from St. Louis by the construction of rival lines. But the south-west branch, by its advantages of situation, will compel all connecting lines to be subsidiary to itself; and its commerce, constantly swelled by the traffic of tributary roads, must necessarily flow to St. Louis. The extension of this road

* Though it is somewhat foreign to my subject, yet I cannot resist the temptation to give the statistics of this massive edifice :

Area of plate glass.....	1 acre	Number of windows.....	50
Length of gas-pipe.....	8 miles	Weight of water-pipe.....	20,000 lb
Stories, exclusive of basement.....	7	Extent of steam-pipe.....	87,700 feet
Total floorage.....	7 acres	Amount of lead.....	120,000 lb
Length of carpeting.....	18 miles	Area of flooring boards.....	300,400 feet
Area of plastering.....	.27 acres	Amount of wrought and cast iron.....	1,450,000 lb
Length of bell-wire.....	32 miles	Cost of furniture.....	\$200,000
Surface of mural brick.....	38 acres	" lot.....	\$250,000
Hight from the sidewalk.....	112 feet	" the building.....	\$350,000
Number of rooms.....	530	Total cost of the Lindell Hotel.....	\$1,750,000
Capacity of accommodation.....	800 guests		

would open to settlement vast tracts of valuable land ; and, by the impulse of cheap transportation, lead to an extended developement of the rich mines of south-western Missouri.

It is to be hoped that our citizens will press forward to an early completion all the roads which will converge at St. Louis. On the east side of the Mississippi an air-line road from Cleveland to this city is now in progress of construction. This road will be a very important accession to our commercial facilities. The great bridge whose arches will, within a few years, span the Mississippi at this point, will put St. Louis in *direct* connection with the entire railroad system of the Continent. The parallel and meridian lines between oceans and zones will intersect at this city. From this centre roads will radiate to the circumference of our land.

The Union Pacific is already built 80 miles west to Kansas City. By the 1st of August it will reach Fort Riley, a distance of 448 miles from St. Louis. The work upon this great Continental line is pushed forward with great activity. The Vice-President of the Union Pacific authorizes the statement that 6,000 men are now employed upon the California and Eastern divisions of the line. The completion of this national highway will strengthen the alliance of States with iron bands, and develop our Western wilderness into populous commonwealths.

The growth of St. Louis, though greatly retarded by social institutions, has been rapid. The population of the city in—

1840.....	was.....	16,467
1850.....	"	77,860
1860.....	"	160,778

At the lowest rate of decennial increase, St. Louis in 1900 would contain more than 1,000,000 inhabitants. This number certainly seems to exceed the present probability of realization, but the future growth of St. Louis, vitalized by the mightiest forces of a free civilization, and quickened by the exchanges of a continental commerce, ought to surpass the rapidity of its past development.

In 1865 the amount of duties payable in gold, collected at this port, was \$586,407. This sum is about one-fifth of the customs levied on goods imported into St. Louis. This is only a Port of Delivery. The imposts upon our foreign merchandise are chiefly paid at the Ports of Entry.

From the records of the United States Assessor it appears that in 1865 the sales of 612 St. Louis firms amounted to \$140,688,856. For the same year the imports of this city reached an aggregate of \$235,873,875.

The manufactures of St. Louis constitute an important element in our commercial transactions. In 1860 the capital invested in manufactures was \$9,205,205, and the value of the product was \$21,772,323. St. Louis, though the eighth city in the United States in population, ranked as seventh in the importance of its manufactures. Missouri might profitably imitate the activity of its metropolis.

The extent of our social and commercial intercourse with the rest of the world may be inferred from the postal statistics of this department. In 1865 the number of letters which passed through the St. Louis Post-office for distribution, mail or delivery, was about 11,000,000. In the judgment of the office, the transactions of the first quarter indicate an aggregate for 1866 of 15,000,000 letters. In postal importance, St. Louis is the fifth city of the Union.

The earnings of our railroads indirectly exhibit the magnitude of our trade. For the fiscal year of 1865, the total receipts of

The North Missouri.....	were.....	\$1,013,000
Pacific and Southwest Branch.....	"	1,939,000
Hannibal and St. Joseph	"	2,000,000

In 1865 the total number of passengers, by river or rail, who made St. Louis their destination or a point of transit, amounted to \$1,180,000.

The Register of the Custom-house shows that the number of arrivals at the port during the last year was :

Barges and canal boats.....	1,114
Steamboats.....	2,761
Total.....	3,875

The tonnage owned and enrolled in the district of St. Louis was, in 1865, 97,000 tons.

Our commerce is aided by ample banking facilities. There are in St. Louis, in addition to 15 or 20 private banks.

	Actual.	Capital—Authorized.
13 Savings institutions.....	\$3,375,000	\$5,830,000
11 Banks.....	9,179,000	14,149,000

The character of our banks stands deservedly high in the financial world. The development of the territories is bringing large deposits to our banks, creating new demands for capital, and extending the channels of circulation.

Our trade with the mountains is large and rapidly increasing. In 1865 20 boats sailed from this port for Fort Benton, which is more than 3,000 miles from St. Louis, with a total freight of 6,000,000 pounds.

This year more than 30 boats have already sailed for Fort Benton, and the agent of the largest line of Montana steamers estimates the number of passengers at 1,500, and the tons of freight at 5,000. In three instalments the cost of assorted goods was as follows :

13 Tons of merchandize.....	\$12,000
35 " " "	40,000
40 " " "	65,000
Mean cost per ton.....	1,500

The agent who furnishes these facts feels authorized, by his experience in the trade of the Upper Missouri, to appraise a ton of Montana merchandize at \$1,000. It is thought that at least ten boats more will sail for the mountains.

The following table is an approximate estimate, based upon the preceding data, of our commerce with Montana for the year 1866 :

Number of boats.....	40
" " passengers.....	2,000
Pounds of freight.....	12,000,000
Value of merchandize.....	\$6,500,000

The trade across the Plains is of still greater magnitude. The overland freight from Atchison alone has increased from 8,000,000 in 1861 to 21,500,000 in 1865.

Messrs. Butterfield and Forsyth of the Overland Dispatch Company have courteously furnished me with estimates, based upon their own transactions, of our total commerce with the territories in 1865. These figures do not include the Fort Benton trade.

Number of passengers East and West by the overland coaches	4,800
“ “ “ by trains and private conveyances	50,000
Number of wagons	8,000
“ cattle and mules	100,000
Pounds of freight to Plattsmouth	3,000,000
“ Leavenworth City	6,000,000
“ Santa Fe	8,000,000
“ St. Joseph	10,000,000
“ Nebraska City	15,000,000
“ Atchison	25,000,000
Government freight	50,000,000
<hr/>	
Total number of pounds	117,000,000
Amount of treasure carried by express	\$3,000,000
“ “ by private conveyance	80,000,000

The Overland Express charge three per cent for the transportation of bullion. This high commission and the hostility of the Indian tribes induced many miners to send their gold East by way of San Francisco to Panama.

The estimated product of our Rocky Mountain mines for the present year is \$50,000,000.

So great is the length of the overland routes that the trains are able to make but two through trips a year.

Before the first of August the Union Pacific Railroad will be completed to Fort Riley. This will materially shorten the extent of overland freighting.

Distance from St. Louis to Ft. Riley	420 miles.
“ Ft. Riley to Denver	460 “
“ Ft. Riley to Salt Lake City	890 “
“ Ft. Riley to Virginia City	1,520 “

The length of these lines of transportation, the slowness of our present means of communication, and the magnitude of our territorial population and trade, forcibly illustrate the necessity of a Pacific Railroad.

The foregoing summaries exhibit the commerce of the Mississippi Valley with the mountains. But while St. Louis does not monopolize the trade of the gold regions, it yet sends to the territories by far the largest portion of their supplies. Even in cases where merchandise has been procured at intermediate points, it is probable that the goods were originally purchased at St. Louis.

During the rebellion the commercial transactions of Cincinnati and Chicago, doubtless exceeded those of St. Louis. The very events which prostrated our trade, stimulated theirs into an unnatural activity. Their sales were enlarged by the traffic which was wont to seek this market. Our loss was their gain.

The Southern trade of St. Louis was utterly destroyed by the blockade of the Mississippi. The disruption by civil commotions of our commercial intercourse with the interior of Missouri was nearly complete. The

trade of the Northern States, bordering upon the Mississippi, was still unobstructed. But the merchants of St. Louis could not afford to buy commodities which they were unable to sell, and country dealers would not purchase their goods where they could not dispose of their produce. Thus St. Louis, with every market wholly closed or greatly restricted, was smitten with a commercial paralysis. The prostration of business was general and disastrous. No comparison of claims can be just, which ignores the circumstances that during the Rebellion retarded the commercial growth of St. Louis, yet fostered that of rival cities.

Nothing more clearly demonstrates the geographical superiority of St. Louis than the action of the Government during the war. Notwithstanding the strenuous competition of other cities, our facilities for distribution, and a due regard for its own interests, compelled the Government to make St. Louis the Western base of supplies and transportation. During the Rebellion, the transactions of the Government at this point were very large. General Parsons, Chief of Transportation in the Mississippi Valley, has not yet completed his accounts, but he submits the following as an approximate summary of the operations in his department from 1860 to 1865:

AMOUNT OF TRANSPORTATION.

Cannon and Caissons.....	6,000
Wagons.....	13,000
Cattle.....	80,000
Horses and mules.....	250,000
Troops....	1,000,000
Pounds of military stores.....	1,950,000,000

Gen. Parsons thinks that full one-half of all the transportation employed by the Government on the Mississippi and its tributaries was furnished by St. Louis.

From Sept. 1, 1861, to Dec. 31, 1865, Gen. Haines, Chief Commissioner of this Department, expended at St. Louis, for the purchase of subsistence stores, \$50,700,000.

During the war, Gen. Myers, Chief Quartermaster of this Department, disbursed at this city, for supplies, transportation and incidental expenses \$180,000,000.

The National exigencies forced the Government to select the best point of distribution. The choice of the Federal authorities is a conclusive proof of the commercial superiority of St. Louis.

The conquest of treason has restored to this mart the use of its natural facilities. Trade is rapidly regaining its old channels. On its errands of exchange, it visits the islands of the sea, traverses the ocean, and explores foreign lands. It penetrates every State and Territory in the Mississippi Valley, from Alabama and New Mexico to Minnesota and Montana. It navigates every stream that pours its tributary waters into the Mississippi.

But St. Louis can never realize its splendid possibilities without effort. The trade of the vast domain lying east of the Rocky Mountains, and south of the Missouri River, is naturally tributary to this mart. St. Louis, by the exercise of forecast and vigor, can easily control the commerce of 1,000,000 square miles. But there is urgent need of exertion. Chi-

Chicago is an energetic rival. Its lines of railroad pierce every portion of the Northwest. It draws an immense commerce by its network of railways.

The meshes which so closely interlace all the adjacent country gather rich treasures from the tides of commerce. Chicago is vigorously extending its lines of road across toward the Missouri River. The completion of these roads will inevitably divert a portion of the Montana trade from this city to Chicago. The energy of an unlineal competitor may usurp the legitimate honors of the imperial heir. St. Louis cannot afford to continue the masterly inactivity of the old *regime*. A traditional and passive trust in the efficacy of natural advantages will no longer be a safe policy. St. Louis must make exertions equal to its strength and worthy of its opportunities. It must not only form great plans of commercial empire, but must execute them with an energy defiant of failure. It must complete its projected railroads to the mountains, and span the Mississippi at St. Louis with a bridge whose solidity of masonry shall equal the massiveness of Roman architecture, and whose grandeur shall be commensurate with the future greatness of the Mississippi Valley. The structure whose arches will bear the transit of a continental commerce should vie with the great works of all time, and be a monument to distant ages of the triumph of civil engineering and the material glory of the Great Republic.

The initial steps for the erection of a bridge across the Missouri at St. Charles have already been taken. The work should be pushed forward with untiring energy to its consummation.

The iron, stone and timber necessary for these structures can be obtained within a few miles of St. Louis, and the greater part of the materials can be transported by water. The construction of public works whose cost will be millions of dollars, would afford employment to thousands of laborers, and give fresh impulse to the prosperity of St. Louis.

A full and persistent presentation of the superior claims of Carondelet ought to induce the Government to establish a naval station at that point. The supply of labor and *material* which a navy-yard would require would be another source of wealth to Missouri and its metropolis.

The effect of improvements upon the business of the city may be illustrated by the operations of our city elevator. The elevator cost \$450,000, and has a capacity of 1,250,000 bushels. It is able to handle 100,000 bushels a day. It began to receive grain last October. Before the 1st of January its receipts amounted to 600,000 bushels, 200,000 of which were brought directly from Chicago. Grain can now be shipped, by way of St. Louis and New Orleans, to New York and Europe 10 cents a bushel cheaper than it can be carried to the Atlantic by rail.

The facilities which our elevator affords for the movement of cereals, have given rise to a new system of transportation. The Mississippi Valley Transportation Company has been organized for the conveyance of grain to New Orleans in barges. Steam tugs of immense strength have been built for the use of the company. They carry no freight. They are simply the motive power. They save delay by taking fuel for the round trip. Landing only at the large cities, they stop barely long enough to attach a loaded barge. By this economy of time and steady movement, they equal the speed of steamboats. The Mohawk made its first trip from St.

Louis in six days with ten barges in tow. The management of the barges is precisely like that of freight cars. The barges are loaded in the absence of the tug. The tug arrives, leaves a train of barges, takes another, and proceeds. The tug itself is always at work. It does not lie at the levee while the barges are loading. Its longest stoppage is made for fuel.

Steamboats are obliged to remain in port two or three days for the shipment of freight. The heavy expense which this delay and the necessity for large crews involve, is a grave objection to the old system of transportation. The service of the steam tug requires but few men, and the cost of running is relatively light. The advantages which are claimed for the barge system are exhibited by the following table :

	Tug and barges.	Steam- boats.
Stopping at intermediate points.....	2 hours	6 hours
“ “ terminal “	24 “	48 “
Crew.....	15	50
Tonnage	25,000 tons	1,500 tons
Daily expenses	\$200	\$1,000
Original cost	75,000	100,000

In addition to the ordinary precautions against fire, the barges have this unmistakeable advantage over steamboats—they can be cut adrift from each other, and the fire restricted to the narrowest limits. The greater safety of barges ought to secure for them lower rates of insurance. The barges are very strongly built, and have water-tight compartments for the movement of grain in bulk. The transportation of grain from Minnesota to New Orleans *by water* costs no more than the freightage for the same point to Chicago. After the erection of a floating elevator at New Orleans, a boat-load of grain from St. Paul will not be handled again till it reaches the Crescent City. At that port it will be transferred, by steam, to the vessel which will convey it to New York or Europe. The possible magnitude of this trade may be inferred from the fact that in 1865 Minnesota alone raised 10,000,000 bushels of wheat. Of this quantity 8,000,000 bushels could have been exported, if facilities of cheap transportation had offered adequate inducement.

This new scheme of conveying freight by barges bids fair to revolutionize the whole carrying trade of our Western waters. It will materially lessen the expense of heavy transit, and augment the commerce of the Mississippi River in proportion to the reduction it effects in the cost of transportation. The improvement which facilitates the carriage of our cereals to market, and makes it more profitable for the farmer to sell his grain than to burn it, is a National benefit. This enterprise, which may yet change the channel of cereal transportation, shows what great results a spirit of progressive energy may accomplish.

The mercantile interests of the West imperatively demand the improvement of the Mississippi and its main tributaries. This is a work of such prime and transcendent importance to the commerce of the country that it challenges the co-operation of the Government. A commercial marine which annually transfers tens of millions of passengers and hundreds of millions of property ought not to encounter the obstructions which human efforts can remove. The yearly loss of capital, from the interruption of communication and wreck of boats, reaches a startling aggregate.

For the accomplishment of an undertaking so vital to its municipal interests, St. Louis should exert its mightiest energies. The prize for which competition strives is too splendid to be lost by default. The Queen City of the West should not voluntarily abdicate its commercial sovereignty.

If the emigrant merchants of America and Europe, who recognize in the geographical position of St. Louis the guarantee of mercantile supremacy, will become citizens of this metropolis, they will aid in bringing to a speedier fulfilment the prophecies of its greatness. The currents of Western trade must flow through the heart of this valley.

The march of St. Louis will keep equal step with the progress of the West. Located at the intersection of the river which traverses zones and the railway which belts the continent, with divergent roads from this center to the circumference of the country, St. Louis enjoys commercial advantages which must inevitably make it the greatest inland emporium of America. The movement of our vast harvests and the distribution of the domestic and foreign merchandise required by the myriad thousands who will, in the near future, throng this valley, will develop St. Louis to a size proportioned to the vastness of the commerce it will transact. This metropolis will not only be the center of Western exchanges, but also, if ever the seat of Government is transferred from its present locality, the capital of the nation.

St. Louis, strong with the energies of youthful freedom, and active in the larger and more genial labors of peace, will greet the merchants of other States and lands with a friendly welcome, afford them the opportunities of fortune, and honor their services in the achievement of its greatness.

THE PRESENT HIGH PRICES.

The chief obstacle to the restoration to this country of its former prosperity, the obstacle which must be removed as soon as practicable, is the high rate of prices upon all the necessities of life. It is of comparatively small account what colossal fortunes are amassed, what apparent exhibition of wealth a people may be able to display. When the nation is compelled to pay exorbitantly for whatever is eaten and worn, it is fast becoming impoverished. That is precisely the condition of matters in this country at this very moment. Food of every kind, however abundant, is dear; and cloths are held at rates beyond the ability of the majority of wearers.

We have abundant witness to this on every hand. Men employed in the various avocations of industry find it no easy matter to make the two ends meet, although wages generally are higher than ever. They find themselves obliged to pay for rents an amount so exorbitant as to leave little behind for other necessities. In the City of New York, a large proportion of them have been compelled to give up their more comfortable homes for little unwholesome apartments in tenement houses, where squalor, dirt and a noxious atmosphere speedily brutifies and degrades the inmates. Luxuries being out of the question altogether, cheap liquors become a substitute.

As for the hundred thousands of female operatives, the burden falls on

them most cruelly. They must be neatly dressed, and be able to fill up all the hours of labor, at a remuneration little greater than that received for similar service ten years ago. Whatever increase of compensation may have been granted to laborers and other persons employed, it has never been equivalent to that of the prices of the articles of consumption in our markets. Indeed, it is the ultimate natural influence of high prices to depress the rate of wages to a point proportionately lower than the prices of the necessities of life. Observations at different periods have shown that they naturally have this effect. The tendency, when the means of subsistence are hard to procure, is for all persons employed, and laborers, to increase their exertions, thus overstocking the market with their labor. This was prevented during the war by the repeated calls for men in the military service. Now it is different, as is evident from the unsuccessful termination of the recent strikes, all of which have resulted disastrously to the laborer.

We cannot account for present prices by pleading a short supply. The careful observer has noticed that the receipts of wheat and flour at tide-water from the Western States during the present season, are largely in excess of what they were a year ago; larger, indeed, than they have ever been at any former period. Besides, the wheat crop which is now being gathered, is ample enough to supply the market for the coming year; and there is no good reason, apparently, why flour should not be furnished to consumers for six dollars a barrel.

So, too, with manufactured goods. They continue to be held at high prices without apparent good reason. The supply is large enough to justify the expectation of lower rates; cotton is far from being scarce, and the coming crop will be sufficiently abundant to warrant a handsome reduction. But we can perceive no indication of so desirable an event. The high prices are maintained almost as if the war still raged, and gold was at 280, and there was neither the supply of raw material to be depended upon, or the requisite labor for its manufacture.

The addition made to prices by taxation, of course, occasions somewhat of the increase; but of this we do not complain. We would only require of our legislators, that whatever burdens they might impose, they should confine them to the actual exigency, the maintenance of the Government and the liquidation of the public indebtedness. Beyond this extent would be oppressive, an incubus on prosperity, and a discouragement to industry. All taxation adds to the cost of production, and is reduplicated in the prices to the consumer, too often built up in this way until increased into a burden too grievous to bear.

But the very price at which labor is, as we have seen, necessarily held, will be said by many to be the cause of the extraordinary cost entailed upon the necessities of life. It is a cause, but evidently not the first cause. The farmer is compelled to pay two dollars and more for work which he was able to obtain a few years ago for one dollar or less; and all his agricultural implements come to him loaded down by similar prices exacted by the mechanics. He cannot, therefore, supply grain at the old prices and be able to carry on his business. The cost of transit to market is enhanced in a similar manner by the increased cost of handling. Our coal is kept from two to six dollars a ton too high, in part because miners' wages have increased. That these are facts,

we will admit. High wages are necessarily followed by high prices. It is, however, also equally true that high prices are necessarily followed by high wages, and it will be remembered that wages were not the first to rise. It is evident, therefore, that there is a cause back of this, and operating over the whole country, making high wages and high prices equally a necessity; increasing the cost of transportation, and fostering speculation. In a word, the real difficulty lies in the fact that our paper dollar has been watered until it is worth much less than a dollar, and on this flood of currency prices float.

The remedy therefore exists in Congress and the Government. Something, we will admit, has already been done; but the country is beginning to sicken at the slow progress made. Speculation, stimulated by the inflated currency, is again rising on its paper wings, and the articles of prime necessity are being bought up and held by the men that can most easily procure the capital. In this manner flour and wheat at the principal points in the West were raised last Fall to a price as high almost as they stood in the City of New York. The banks lent the money to keep up the margin and maintain the exorbitant prices, till in many instances the grain became injured and heated in the storerooms. We are liable to have this repeated again this season, and the evil must grow upon us unless efficient measures are soon taken to bring the currency at as early a day as possible to a specie basis. This will reduce labor from its nominal to its equitable value. Every other expense will undergo a similar transmutation. We shall no more have prices of war and famine when the soil is productive and the nation is at peace. The men who are doing business on borrowed capital, it is very likely, will suffer; but the producing classes will be placed in better circumstances. They are the ones whose welfare should be first considered. The present disparity is rapidly impoverishing the great majority of the people; and a return must be had as soon as practicable to a sound financial policy in order to obviate the danger of actual calamity.

THE STRIKES.

There are apparent symptoms of a disposition among the operatives on strike to return to employment. The difficulty among the masons, who struck for a quarter holiday on Saturday, is in course of adjustment; while ship-carpenters of New York and Brooklyn, who have been "on strike" for several weeks, to secure the limitation of the daily term of labor to eight hours, have unanimously resumed work upon the old conditions. The ship calkers, who professed the most resolute determination to enforce their demands to the last extremity have at last relinquished their demands and are willing to return to work upon late terms. In Boston, Portland, and Philadelphia, the calkers co-operated with those of New York; so that it has been impossible for New York ship-builders to evade their embarrassments by sending vessels to any of those ports. The calkers of this port have even taken measures for ensuring the co operation of their trade in the ports of England. Some days ago, three vessels were sent from Boston to Liverpool, ballasted with timber, to be calked at the latter port. No sooner was this ascer-

tained than prompt measures were taken for advising the association of calkers at Liverpool, with a view to preventing their working upon the vessels. These instances of co-operation among the organizations within the same trade indicate one important source of the strength and endurance of strikes. We understand that the return of the ship-carpenters to work was a matter of arrangement with the calkers. The latter argued that the carpenters would prepare work for them, and would consequently only increase the necessity for the shipbuilders to grant the advance of wages demanded. This may appear to have been an ingenious device; but, like all such unnatural expedients, it has proved unavailing. The shipbuilders were determined to make this a test case, and, at whatever sacrifice, to prove which side is most capable of endurance. They were aware of the extent to which the trades associations rely upon their accumulated funds, in the event of a strike, and were intent upon ascertaining to what degree those resources could enable them to enforce their demand. The strikers, on the other hand, were resolved upon testing the power of endurance of the employers. The dispute, indeed, had resolved itself into a deliberate strategic trial of strength, and the result must have a material influence in the settlement of future similar cases.

The trades associations manage their strikes with no little adroitness. The weakness of the operatives lies in their necessity to work as a means of income. As a protection against this weak point, each association has its reserve fund, intended for use in the event of a strike; and the success of any effort to enforce their demands, depends entirely upon the management of these funds. Hence, care is taken, through the central union of associations, not to have too many strikes at the same time. By a simultaneous halt of all branches of labor, the funds of the several organizations would be early exhausted, and the operatives would be compelled by necessity to yield. A few branches are, therefore, left to do the brunt of the fighting; and the funds of all the associations are made available for their support. The whole force of the operatives is thus concentrated upon a few well chosen points on the employers' lines; and the pressure is consequently protracted and attended with severe injury to the capitalist.

Were the several branches of trade united in common cause, so as to enable them to meet the workmen with a like sympathetic opposition, this very ingenious strategy would be abolished, because of its fruitless results. But no such general combination exists among employers, and would obviously be very difficult of organization. For this reason, the firmness with which the shipbuilders have withstood the unreasonable demands of their employees is deserving of all praise. Individuals among them might have yielded, from narrow and mercenary considerations; but all have preferred to incur severe loss in the assertion of a principle in which not only they, but all employers, are vitally interested, and to ascertain definitely important points respecting the working relations between employers and operatives. The power to conquer is unquestionably in the hands of the employers; and the result of the well planned and desperately supported strike of the calkers is an evidence that if the employers are united they have the power of enforcing their own settlement.

The calkers must have already suffered to an extent calculated to cool

their ardor for strikes. For several weeks they have been absolutely idle, their principal reliance being a weekly pittance from the funds of their association, and such charity as other organizations chose to bestow upon them. In hundreds of cases the father has eaten the bread earned by the sweat of his wife and children, driven to some form of cheap labor, and to compete with some branch of that common organization of labor which it was supposed the strike was calculated to support. In the mean time, the place vacated by the idle striker was being filled. The shipbuilders were putting raw hands upon their vessels and training them to efficiency; so that the calkers, on returning to work, find they have created a large addition to their trade, who will be future competitors for employment, tending to depress wages even below the rates at which they refused to work. Thus will strikes ever result in the ultimate injury of those who engage in them. They may meet, and have met, with apparent success for a time, but being against reason, and opposed to that community of interest which Providence has instituted between the workman and the employer, they must in the end bring the sure penalty that attends every infraction of natural law. They are a suspension of that process which connects existence and enjoyment with the sources of sustentation; and consequently they result in injury to the most vital interests of society.

ENGLISH PANICS OF THE PRESENT CENTURY.

The number of well-defined and purely monetary panics that have been witnessed in the present century in England has been, including the one last month (May,) five. In the early part of the century there were numerous others—indeed they were then of rapid occurrence—but these, up to 1815, were all connected with the varying fortunes of war. It was in 1826 that the first purely speculative panic took place. In the preceding year consols had steadily advanced from 84½ to 96½, and this upward movement had been accompanied by a furor for the establishment of joint-stock companies of all descriptions. Mines in Mexico and other parts of South America were chiefly in favor; but when the mania was at its height there was scarcely a conceivable branch of occupation, from pearl fishery in the Pacific down to the washing of linen and an equitable system of pawnbroking at home, that was not organized in a prospectus or that failed to command a premium. Bank directors were in the vortex, and in some of the most ludicrous concerns the names of leading merchants figured. The proposed capital of each company was, however, in those days much more modest than now, the usual range being from £50,000 to £300,000, instead of from half a million to five millions, “with power of increase,” as at present. At length a rapid drain of bullion set in, the funds precipitately went down, and consols in 1826 touched 73½. Universal ruin ensued, a run upon the banks took place, and Lombard street and Bartholomew lane presented a scene not unlike that of Friday last. In this emergency the pressure put upon the Government for aid was so great that it was resolved to authorise an advance not exceeding three millions sterling, to be made upon goods, merchandise, and other securities. Commissioners were appointed to carry out the arrangement in the principal

commercial towns, and confidence was almost immediately re-awakened. The applications for assistance proved to be much fewer than had been expected, and in many places the commissioners had almost a sinecure. "The knowledge that a public fund exists," it was remarked by a writer of the period, "ready to advance money to those who can furnish substantial deposits, infuses a similar confidence into private individuals, and when one body, celebrated for prudence and caution, has led the way in trusting its neighbors, others are gradually encouraged to follow in the same path, and return to their ordinary sources of gain." The next panic occurred in 1837, but this was of a more restricted character and was not attended with any violent fluctuations in the funds or in the rates of discount. An English paper attributes its rise from an eagerness to make loans to the various States of the American Union, and from a system of "open credits" to the merchants of New York, New Orleans, &c. The chief London houses, by whom these credits had been granted, were, in the first danger, assisted to an extraordinary extent by the Bank of England, but it was ultimately found impossible to prevent a total break up.

The next occasion was 1847. The preceding years had been marked by the introduction of railway projects to the amount of 300,000,000*l*, and by the elevation of Mr. Hudson as a chief promoter. Consols on the 1st of January had stood within a fraction of 94, and in October they were down to 7½. The drain of gold was extremely severe, and on the 25th of October (the Bank reserve having been reduced to 1,170,740*l*) the Government, on a representation from the principal discount houses, authorised the suspension of the Charter Act, which had then been three years in operation. The minimum rate at which advances were to be made was on that occasion fixed at 8 per cent. The effect was as sudden as had been that of the Government resolve to make advances on goods in 1826. In two months consols recovered from 78½ to 85½, and within seven months the rate of discount was down to 3½ per cent. In the following year it went to 2½, and it then remained with little variation (ranging between 2 and 3 per cent.) for nearly three years.

In the panic of 1857, which was brought about by the most wild speculation on the part of exporting merchants, chiefly supported by reckless credits from banks at Liverpool, Glasgow, and elsewhere, the suspension of the Act took place on the 9th of November, and the minimum rate for advances was fixed at 10 per cent., being 2 per cent. higher than on the previous occasion. Consols which had previously stood at 94½, went during the panic to 86½, and the Bank reserve was down at 957,710. But on this, as in former instances, the recovery was rapid and continuous. In the next year Consols stood at 98½, and the rate of discount had fallen to 2½ per cent., after which, for two years, it ranged between 2½ and 5.

Annexed is a comparison of the state of the Bank accounts, and the price of Consols in each of the three panics that have happened since the passing of the Act of 1844 :—

	Bank Bullion.	Notes in Reserve.	Rate of Discount.	Price Consols.
Panic of 1847.....	8,408,750	1,176,740	8	75½
" 1857.....	6,484,086	957,710	10	86½
" 1866.....	12,828,805	700,830	10	81½

AN OCEAN RACE IN 1837.

Mr. John Robertson, South Shields, England, supplies the following particulars of a race which took place between Calcutta and London twenty-nine years ago. He says: I was carpenter on board the barque *Georgiana*, of London, Captain Thoms, 500 tons, in the year 1837. We were then lying at Calcutta, and the *Royal Saxon*, another barque of the same tonnage, lay in the next anchoring berth from ours. As both vessels got up their anchors together, and both were bound for London, Captain Thoms bet the captain of the *Royal Saxon* a new hat that he would be into London before him. We sailed on the 18th of February from Calcutta, parted company at the Sand Heads on the 20th, when the pilot left the ship, and on the 21st we lost sight of each other. On the afternoon of the 24th of March, the *Georgiana* was beating round the Cape of Good Hope, making very heavy weather of it. We had actually dipped our topgallant forecastle under water, and put out the fire in the cook's galley (which was under the topgallant forecastle) when we suddenly discovered our old companion, the *Royal Saxon*, beating away to the northward, like ourselves, under double-reefed topsails. Strange to say, the night was one of the most beautiful and yet one of the gloomiest that ever was seen on the ocean. Away to the north-west, the clouds were black and dense, the wind and sea being excessively high; in a minute or so the clouds would rend asunder, as it were, and the heavens overhead were illuminated with a beauty such as I have never witnessed since. Captain Thoms—who was a Scotchman—a native of the city of Aberdeen—had always divine service on board his vessel on the Lord's Day, when the weather permitted; but on that day religious exercises were omitted. Still we persevered, and the *Royal Saxon* and us lost sight of each other at nightfall. We did not pick each other up again until we went into St. Helena, which we did on the 7th of May. The *Royal Saxon* was just stowing her sails as we entered. We had 60 tons of rice to discharge for the garrison of the island, and to take in water. The *Royal Saxon* thereby got the start of us by 12 hours, and we never sighted each other until we both arrived in the Downs together at midnight on the 3rd of June, and when morning broke on the 4th we were both within hail of each other. We both got up our anchors together early in the morning, set our canvas, and went up the river in grand style, sometimes abreast of each other, and occasionally only a ship's length or so between us. It was a very exciting race, and a very fine one from the beginning, but the finest of it all was at the end, for, had the gates of the East India Dock been wide enough, we should both have entered the basin together. We let the *Royal Saxon* go in first, and as both vessels were entering—the *Royal Saxon* being about half a ship's length a head of us—the crew of each vessel shouted to the other, "A dead heat! a dead heat! We'll have it over again!"

JOINT STOCK BANKS IN IRELAND.

From a report furnished to the Government by Mr. Neilson Hancock on the deposits in joint stock banks in Ireland, it appears that the increase of £2,628,376 during the year 1865—viz: from £14,422,176 in 1864 to £17,050,552 in

1865—was greater than the largest previous increase in one year—viz: of £2,510,233, from £7,263,091 in 1851 to £10,773,324 in 1852. It also appears that the increase of £4,083,821 in the last two years exceeded the withdrawal during the four bad years, 1860-3, by £1,008,412, so that the deposits, £17,050,552, at the end of 1865 exceeded by £1,000,000 the previous maximum of £16,042,140 in 1859. The deposits of £17,050,552 are more than twice the amount in 1850—viz: £8,268,838, and three times the amount in 1840—viz: £5,567,851. Considered with reference to changes in population, the deposits in 1840 were 13s. 7d. per head of population; in 1850, £1 2s. 1d.; in 1860, £2 14s. 1d.; and in 1865, £3 3s., or nearly five times the amount per head of population as in 1840. As an evidence of absolute progress in wealth, and of the recovery from the effects of losses in recent years, these figures are more interesting. They show, too, that there is no want of Irish capital for the improvement of land, or for any other legitimate Irish enterprise. Upon the larger question of the wealth of Ireland, as compared with other portions of the United Kingdom, the extraordinary advantages which England and Scotland enjoy over Ireland in mines and minerals, and consequently in manufactures, have led to an equally remarkable accumulation of capital. One bank—the London and Westminster—holds for bank deposits, circular notes, and other moneys payable on demand, no less a sum than £19,224,571. The Irish returns include deposits alone; but if even the cash balances were added, the sum in all the banks would not much exceed what is held by one English bank.

THE SILK SPIDER OF SOUTH CAROLINA.

Dr. B. C. Wilder, late surgeon of the Fifty-fifth regiment Massachusetts volunteers (colored) gave the first of four lectures upon the above subject at Boston, Tuesday evening. The journal gives the following brief but interesting synopsis:

The first of this species of spider was discovered by the lecturer, on the north end of Polly Island, while in camp there in August, 1863. He wound from its body, in one hour and a quarter, one hundred and fifty yards of yellow silk. The next year another officer wound from thirty spiders three thousand four hundred and eighty-four yards, or nearly two miles of the silk. A single thread of this was strong enough to sustain a weight of from forty-four to one hundred and seven grains. In 1865 Dr. Wilder showed his specimen to Prof. Agassiz and others to whom the species was new. Returning to Charleston, he resumed his researches, and after a variety of adventures and disappointments, succeeded in getting a number of the spiders.

In the course of the season these all died from lack of knowledge as to their habits, mode of living, &c. From the eggs deposited, however, many others were produced. It is the habit of the stronger to devour the weaker, so that out of several thousand only a few hundred were raised. The fact, however, was clearly demonstrated that they could be raised and live through a Northern winter. In the succeeding lectures the method of securing the silk, and other facts in regard to this interesting discovery will be given.

Specimens of the silk were exhibited, which were of a golden yellow and a silver white, and as brilliant as the metals in appearance. It is elastic, while the silver colored thread is non-elastic, and is used for the main stays of the web. Dr. Wilder has a lot of these spiders living in the Cambridge Conservatory, and many young broods in his room in Boston. The Doctor has made full communications to the American Academy, and to the Boston Society of Natural History.

INTERNAL REVENUE REPORT.

The Secretary of the Treasury on Wednesday June 20 transmitted to the House of Representatives, in answer to a resolution, a report from the Commissioner of Internal Revenue, from which it appears that the amount of direct taxes by the act of 1861 apportioned to Virginia is \$987,550, of which \$879,491 has been collected; apportioned to North Carolina, \$576,194, collected, \$260,288; apportioned to South Carolina, \$868,570, collected, \$205,882; apportioned to Georgia, \$584,367, collected \$54,421; apportioned to Alabama, \$529,318, none collected; apportioned to Mississippi, \$418,084, collected, \$25,000; apportioned to Louisiana, \$385,886, collected, \$801,167; apportioned to Tennessee, \$669,498, collected, \$83,811; apportioned to Arkansas, \$261,866, collections not reported; apportioned to Florida, \$77,522, collected, \$5,712; apportioned to Texas, \$355,106, collected, \$47,428.

The property held by the Government under sales authorized by acts relating to direct taxes, was purchased at prices amounting in the several States as follows: Virginia, \$32,268; South Carolina, \$65,392; Florida, \$6,168; Tennessee, \$8,360.

In Arkansas lands were struck off for taxes unpaid to bidders who never completed their purchases, to the amount of \$18,600. The amounts received from sales in the several States are as follows: Virginia, \$8,180; South Carolina, \$28,433; Florida \$349; Tennessee, \$122,717. Arkansas is not reported. The whole amount standing to the credit of the Arkansas Commissioners, from taxes collected and the proceeds of sales deposited to the credit of the United States, is \$165,262.

The Secretary of the Treasury in his letter inclosing the above facts, says: "I avail myself of the occasion to express an opinion based upon my observation of the operation of the law that an additional enactment authorizing the assumption by the States, respectively, of the remainder of the direct tax due from each, would, in view of the present impoverished condition of their people, prevent much hardship in individual cases, and save from practical confiscation the property of many persons against whom the Government has no grounds of complaint, while no public interest would be injuriously affected. Should this policy be adopted, the collection of taxes under the present system might and ought to be discontinued until an opportunity for assumption be offered. Whether the amount realized from re-sales of property, bid in for the Government, should or should not be allowed to the States, respectively, in computing the taxes still due is a question well deserving of consideration, which I submit without comment." The receipts on account of internal revenue for the present year up to the 19th inst., inclusive, amount to \$299,018,436, leaving less than \$1,000,000 to complete \$300,000,000, the estimate made at the Bureau of Internal Revenue. It is now believed that the receipts of the fiscal year, ending with the 30th of this month, will amount to \$306,000,000, from taxes for internal revenue alone.

NATIONAL BANK DEPOSIT TAXES.

The following correspondence is of interest to the National Banks throughout the country :

NATIONAL MECHANICS' AND FARMERS' BANK.
ALBANY, June 11, 1866.

Hon. F. E. Spinner :

MY DEAR SIR—The former Commissioner of Internal Revenue decided the deposits growing out of collections for other banks, and remitted for at short dates, were not taxable. Your decision, though comprehensive, still leaves the question open for bankers to interpret. You require the tax on "collections made for other banks, and, in fact, on all descriptions of deposits which may be used by the bank." Our interior banks collect for city banks and remit by check on New York, weekly, semi-monthly, and monthly, as the arrangement may be, at par. Weekly remittances average three and a half days; semi-weekly remittances average seven and a half days; monthly remittances average fifteen and two-third days. Deposits which remain in interior banks through collections in miscellaneous currency only three and a half and seven and a half days, and are then remitted for by check on city banks, cannot, I think, be safely used. I am not so clear in regard to an average deposit of fifteen and two-third days, and therefore prefer to know and be governed by your views. As an experienced country banker, you can readily decide this question. Our canal tolls are collected on an allowance of twenty days.

I think we may fairly claim that in case of doubt we should have the benefit of it. This is equitable in all cases, and especially in regard to banks, who are so over-taxed beyond all other property as to seriously threaten their destruction. The yearly taxes of this bank—Government, State and municipal—are over ten per cent. on our capital. This will excuse us for past and future conflicts for rights which cannot be yielded without a surrender of our existence.

I am, therefore, induced to bring before you another question for your decision. Can a deposit be taxed more than once? For instance, the Mohawk Valley Bank has deposits amounting to \$100,000, upon which they pay the Government tax. They remit to us \$25,000 of said deposits; and can the same be taxed a second time in our hands? We remit it to our credit, to a bank in New York, and if this duplicate taxation is claimed there is no limit to its multiplication and consequent injustice and oppression.

I suggested these points, and some others which the Government has since yielded to the present Secretary of the Treasury when he was Comptroller of the Currency, and he wrote me that my suggestions had great weight, and that he would speak to the Commissioner of Internal Revenue on the subject. The sacrifices which the condition of our banks then required do no longer demand our unyielding acquiescence, and I trust the time has arrived for a just and amicable adjustment of these questions.

I have the honor to be, dear Sir, yours,
THOMAS W. OLCOTT, President.

TREASURY OF THE UNITED STATES,
DIVISION OF NATIONAL BANKS,
WASHINGTON, June 18, 1866.

SIR—I have received yours of the 11th inst., the contents of which I note.

You quote the words of the return: "collections made for other banks, and in fact all descriptions of deposits which may be used by the bank," and refer to collections made by country banks for city banks, for which payment is made at stated periods, which collections you think would not properly come under the head of deposits "used by the bank."

In the semi-annual return, after enumerating the different classes of deposits, that have occurred to me as likely to be made with a bank, the words, "and in fact all descriptions of deposits which may be used by the bank," have been inserted to cover any deposits that are not have been enumerated, and not as a qualification of the preceding classes.

I think deposits arising from collections are as clearly subject to duty as any class of deposits. The collecting bank has the use of the money from time of collection until it is paid; it goes into general account with other funds of the bank, and may be used as well. The fact that a remittance is made at stated periods does not operate against this view. It may even be an advantage to a bank to know exactly how long a collection or deposit may remain with it. The collecting bank remits at stated periods at par (as stated) or without charge, it would seem that it was an acknowledgement that benefit was derived by it from the collection.

In regard to the question, can a deposit be taxed more than once, instancing the Mohawk Valley Bank as paying duty on \$100,000 deposits, \$25,000 of which have been deposited with you by that bank, upon which amount you pay duty, although you have remitted the amount to a bank in New York, where it is subject to duty. It is clear that the Mohawk Valley Bank has received the \$100,000 on deposit, the whole of which is available to it, although a portion of it may have been placed with you, as a fund against which it can draw, upon which it probably receives interest, although that would not be material to the question. It is not clear that you have received \$25,000 on deposit, which you have transferred to the New York bank with the same view, and that the New York bank has the \$25,000 on deposit, which it may use as it may use any deposits, say of individuals. The question would not then be, what use does a bank make of its deposits, but what deposits has it on hand?

I know that the present duty and taxes on banks are onerous and burdensome; but yet, so long as the duty, with the collection of which I am intrusted, is laid upon them, it does not seem a sufficient reason why I should authorize a departure from what seems to be the spirit, clear intent, and meaning of the law, which might thus be so perverted as to fail to answer the purpose designed. A bank should not be permitted, for its own benefit, to go behind its own records and books, and to eliminate certain amounts which it judges not profitable; thereby opening a door to fraud and perjury. Of course there would be no suspicion of evasion in a bank of character and standing like your own; but some banks it is undoubtedly best to leave, if possible, nothing undefined.

A remedy would be for banks to decline to receive deposits on such terms as would not leave

a profit to them above the duty on other expenses; but, while competition among them for business is so great, it does not seem probable that the rule would generally prevail.

The banks in New York and other cities were permitted, upon representations made by them, to omit from their deposits of the day such checks as were deposited on that day, but remained uncollected, and against which no checks were made, or rather *paid*. But no claim has been made that any collections should be omitted from deposits after the money had been collected.

I notice propositions before Congress to reduce materially the duty upon banks, which, or something similar to it, I shall hope to see become a law. It seems necessary, in the event that a burdensome State tax upon the banks shall be insisted upon, that Congress should, to a certain extent, remit the duty to the Government.

F. E. SPINNER,
Treasurer United States.

Thos. W. OLCOTT, President National Mechanics' and Farmers' Bank, Albany, New York.

NEW YORK STATE BANK NOTES.

The following is from the Superintendent of the Bank Department:

STATE OF NEW YORK,
BANK DEPARTMENT, Albany, May 21. }

The impression obtains, to a considerable extent, that in consequence of a law of Congress, the holders of State Bank bills will be subject to a tax of ten per centum on paying them out, after the first of July next; and there are bankers who suppose they are subject to a like tax on all their outstanding circulation at that date. Nothing is more erroneous.

The following is the only law of Congress on the subject:

Sec. 26 of the amendments to the Internal Revenue Laws, approved March 3d, 1865:

"And be it further enacted, that every National Banking Association, State Bank, or State Banking Association, shall pay a tax of 10 per centum on the amount of notes of any State Bank or State Banking Association paid out by them, after the first of July, eighteen hundred and sixty-six."

It will be seen that Banks only are subject to the tax, and that, not on their outstanding circulation, but only on such notes as they shall pay out. Holders of New York State Bank Bills, not bankers, are not subject to the tax. They may hold them, or pass them, the same as usual.

The notes of New York State Banks will be as safe and valuable after the first of July, 1866, as at any time in the past. Securities for their redemption are held by this Department, and are only surrendered on the return of the notes.

Although the banks are being legislated out of existence, their notes, as a circulating medium, will maintain their former high reputation for safety and value. There can be no safer circulation than that of our New York State Banks, and holders may rest secure, that their State money is worth dollar for dollar in legal tenders.

Our banking system, so far as Congressional legislation can do it, is to pass away, and be superseded by the National, whose highest merits rest upon the fact that it is modeled after our own.

GEORGE W. SCHUYLER, Superintendent.

COMMERCIAL CHRONICLE AND REVIEW.

Increase in Exports of Specie—Advance in Gold—Private Sale and Purchase of Government Securities—Rates of Discount—Prices of American Securities at London—New York prices of Governments—Railroad Stocks—Course of Gold for month—Treasure movement—Exchange, &c.

The disturbed condition of Europe has further acted upon us the past month, increasing largely the exports of specie, and sending up the price of gold, which has now broken away from the control of the Government. Of course all values are again unsettled, and very little business is being done. This, however, is the dull season, and we cannot anticipate any decided activity, at least, until it is time for the fall trade to begin. The latest news from Europe gives a more favorable account of affairs in England. The continued large arrivals of bullion from this side, and the comparatively limited exports to India and other quarters have had a good effect, and the bank rate has been reduced from 10 per cent to

8 per cent as the minimum. On the other hand, the war news has been growing more and more warlike, and while this is the case it is wise to act with caution. The tidings of the failure of the proposed Congress, the last effort of diplomacy to avert an appeal to arms, were followed on this side of the water by a sudden and alarming advance in the premium on gold. We do not propose to enter into a discussion of the origin of this phenomenon, or of the probable consequences to ourselves of a wide-spread and destructive Continental war. But it is eminently desirable that we should be aroused by it to consider how greatly our financial and commercial relations with Continental Europe have been changed by the events of the last six years; and how much more important those relations now are in their bearings upon our home interests, than they were before the recent enormous development both of our commerce with the German States and of our national debt. The efforts and the influence of France may for a time hold back the smaller German States of the South and West, Bavaria, Baden, Wurtemberg, and the petty sovereignties immediately dependent upon them, from the vortex of the war. But nothing can avert the immediate action of the conflict upon the commercial and industrial condition of these States, and through them upon all communities in any degree connected with them; and prudent men will bear it in mind, here in America as well as beyond the seas, that the coming summer and autumn are certain to witness financial and commercial disturbances analogous in kind if not equal in degree to those which for the four years of our civil war, fevered every branch of industry and activity among us, generated the passions and the perils of speculation, and unsettled all the system of our public and private economy. Not that we believe this result must of necessity be disastrous to ourselves, for if we only put our house in order and prepare for the storm, we may reap decided advantage from the strife now just begun.

There has been considerable excitement, not unnaturally produced, by the private sale and purchase of Government securities on account of the Treasury. It is to be regretted that these transactions were conducted under the veil of secrecy, the public not being informed of the facts until they appeared in Mr. McCulloch's monthly statement of the Treasury. It would have been better and more consistent with the traditions, the habits, and the principles of our popular institutions, as well as more in accordance with what is done by other Governments, if there had been no attempt at secrecy. However, it is gratifying to know, as has been elicited from the recent Congressional enquiry, that since the 1st January all that Mr. McCulloch has done in this respect is to fund Seven-thirties and Compound Notes into Five-twenties to the amount of some 23 millions, and to purchase a small amount—about 1½ millions—of the 173 millions of outstanding Ten-forties. This last transaction was altogether exceptional and we understand it will not be repeated. It is said, in justification, that by these several movements a direct saving to the Government has been effected to the amount of more than \$800,000; the credit of the Treasury has been improved, the new Five-twenties have been negotiated at from two to three per cent. premium, the Ten-forties have advanced in the market from 92 to 96, and the way has thus been in part prepared for any funding operations which may be next entered upon. This is all very well. But why the secrecy?

There are innumerable evils apparent to every one in allowing Government officials thus secretly to influence the market, putting the price of our bonds up and down at will, and it is unnecessary for us to notice them here. It cannot but be hoped, however, by all friends of the Government, that this matupulating of our Securities will not soon be repeated. Below, we give the official paper lately presented to Congress, showing at what times and rates Five-twenties were sold by the Treasury Department between the 1st of January and the 2d of June for the purpose of funding Seven thirties, &c., noticed above :

OFFICIAL REPORT TO CONGRESS OF FIVE-TWENTY BONDS ISSUED AND SOLD SINCE JAN. 1, 1866, TO JUNE 4, 1866.

Date.	Prin- cipal.	Rate of pre- mium.	Amount received.	Date.	Prin- cipal.	Rate of pre- mium.	Amount received.
Jan. 3*	\$25,000	2½	\$25,647 63	Apr. 20	\$900,000	4½	\$942,750 00
6*	10,000	2½	10,892 22	..	150,000	4½	156,937 50
8*	500,000	3	520,589 05	..	550,000	4½	576,812 50
20*	1,000,000	2	1,023,150 70	21	175,000	4½	183,812 50
22*	20,000	2½	20,833 45	23	2,000,000	5	2,100,000 00
23*	100,000	2	103,847 95	24	250,000	5½	263,437 50
24	1,000,000	2	1,033,808 20	..	150,000	5½	157,875 00
3	285,000	2	290,700 00	26	75,000	5½	79,312 50
5	100,000	2½	102,125 00	27	50,000	5½	52,875 00
6	451,000	1½	458,892 50	30	75,000	5½	79,312 50
8	289,500	1½	274,216 25	..	600,000	5½	632,000 00
10	105,000	1½	106,837 50	20	128,000	1½	130,240 00
12	30,000	1½	30,525 00	May 1	61,000	1½	62,067 50
15	174,000	1½	177,045 00	1	122,000	1½	124,287 50
16	50,000	1½	50,875 00	1	100,000	½	100,250 00
16	8,000	1½	8,062 25	1	1,500,000	5½	1,584,375 00
17	1,579,000	1½	1,608,606 25	1	48,000	5½	475,875 00
18	38,000	1½	38,665 00	1	100,000	1½	101,875 00
19	50,000	1½	50,875 00	2†	1,021,500	..	1,021,500 00
22	10,000	2	10,200 00	4†	262,500	..	262,500 00
29	5,000	2	5,100 00	4	675,000	1½	687,656 25
Feb. 2	200,000	2½	204,250 00	5	500,000	1½	509,875 00
2	80,000	2½	80,675 00	5	250,000	2	255,000 00
5	50,000	2½	51,125 00	7	20,000	2½	20,425 00
6	10,000	2½	10,225 00	8	10,000	2	10,200 00
8	60,000	2½	61,350 00	8	1,500,500	1½	1,528,125 00
8	20,000	2½	20,475 00	8	548,000	1½	557,413 13
9	40,000	2½	40,900 00	11	162,500	2	165,750 00
13	36,000	2½	36,945 00	26†	800,000	..	800,000 00
15	50,000	2½	51,487 50	28†	200,000	..	200,000 00
19	5,000	3½	5,168 75	18	100,000	1½	101,875 00
20	15,000	3½	15,487 50	18	500,000	2	510,125 00
27	5,000	2	5,100 00	21	90,000	2	91,800 00
29	80,000	3½	81,012 50	26	1,000,000	1½	1,018,750 00
28	16,500	3	16,995 00	28	70,000	2	71,400 00
14*	100,000	2	102,726 03	21	70,800	2	72,216 00
Mar. 3	80,000	3½	80,937 50	26	64,000	†	65,000 00
3	38,000	3	39,140 00	30†	26,600	..	26,600 00
12	20,000	3	20,600 00	June 2	285,000	2	290,700 00
16	70,000	3½	72,527 50	2	230,000	1 15-16	234,262 50
21	7,500	3½	7,771 88	2	95,000	1 81-82	96,870 00
Apr. 19	600,000	4½	627,750 00	Total	\$22,769,900	..	\$23,485,249 99
19	125,000	4½	130,625 00				

The money market during the month has exhibited great ease. Below, we give the current rates for loans each week :

	June 1.	June 8.	June 15.	June 22.	June 29.
Call loans	5 @ 6	5 @ 6	5 @ -	4 @ 5	4 @ 5
Loans on Bonds and Mortgage...	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.	5½ @ 6	5 @ 5½	5. @ 5½	5 @ 5½	5 @ 5½
Good endorsed bills, 3 & 4 mos.	6 @ 7	5½ @ 6½	6 @ 6½	6 @ 7	6 @ 6½
" " single names.	8 @ 9	7 @ 9	7 @ 8	7 @ 8	7 @ 8
Lower grades.	10 @ 15	10 @ 15	18 @ 15	10 @ 12	10 @ 12

* With interest added.

† Exchanged for 7 2-10 notes.

‡ Sic 1.564.

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It is to be regretted that Mr. McCulloch has found it necessary to defer the issuing of the usual monthly statement of the public debt; for, independently of other reasons, the condition of the national finances is so strong, and the demand for our Securities at home and abroad is so active, that a much more widely-absorbing interest is expressed than for some time past to know those facts which the report gives to the public relative to the recent movements of the Treasury. We presume that there is in no degree a desire on the part of the Secretary that the doings of the Treasury Department shall be invested with mystery, or deprived of that publicity which is equally demanded by expediency and by law. The much complained-of delay is, probably, due in part to the multiplicity of the accounts with the National Banks which are depositories of the public money, and to the obligation to get each account posted up to the 30th June, so as to close up the fiscal year. Another cause of the trouble, if we are not misinformed, is connected with the accounts of the Collectors of Internal Revenue, which are said to be less promptly closed than might be wished by the remittance of the cash balances due to the Government. We trust, however, that whatever be the origin of the non-appearance of the Treasury statement, it will be published without further delay.

Another point on which there is considerable public anxiety at present is the funding of the short debt into long bonds. It is impossible to contemplate without concern the fact that during the coming two years one thousand millions of our debt will mature, and that we must pay off this large sum by issuing bonds at long dates. Having such a large amount of bonds to sell within a limited time, it is surely the part of wisdom to begin the issue as soon as we can. And it is especially our duty in the present case to put our bonds before the public immediately, for the state of the money market is more favorable now than when the Fall business begins. At present, there is a superfluity of idle capital seeking investment, the current of the circulation is gorged with bank notes and other paper money, the paying off of thirty million of certificates drives out a mass of floating capital to compete for profitable employment, and the heavy payments making at this season on account of the interest and dividends of a large number of corporations and business firms contribute to augment the plethora of the loan market, and to render the present moment a more propitious one than may perhaps occur again for the negotiation; for suggestive indications are not wanting that if the auspicious advantages which now offer are not embraced, the extreme ease in money will give a very mischievous impulse to speculation, the feverish and debilitating effects of which, when the inevitable reaction sets in, may be very much in the way of the success of any government loan. It is reported that Mr. McCulloch is waiting to see what Congress will do, and what further powers will be confided to him before he makes any special efforts at funding. This procrastination, it seems to us, is quite unnecessary. It might, perhaps, be in some respects preferable that Mr. Sherman's proposed loan bill, or some other loan bill, should pass Congress, but we must not forget that, under existing laws, Mr. McCulloch has all the power that is necessary to issue five or six per cent. thirty-year or forty-year bonds in exchange for outstanding securities. He has indeed availed himself of these powers in his secret negotiations noticed above. What is necessary is to conduct on a larger scale

and in a more public manner similar negotiations of bonds for Seven-thirties and Compound notes.

The objection is raised that the next loan must consist of permanent consolidated bonds, which, in process of time, shall absorb all existing forms of the public debt, just as has been done by the Consols of England and the Rentes of France. Doubtless, it would be a convenience if this could be done. But it must be remembered that our Consols cannot bear more than five per cent. interest, and that they should not be issued below par. The opinion is held by most of us, indeed, that the time will come, and is not very distant, when five per cent. bonds of the United States will be at a premium; but that, at present, the large sums which we want to raise cannot be obtained in the limited time allotted to us, except by the issue of six per cent. securities. It has therefore been proposed to issue Five-twenties at a premium, with a view of paying them off in a few years and replacing them by five per cent. securities. Some of the advocates of the controllability of the debt are in favor of the issue of a series of new three-year currency-bearing bonds, similar in character to the Seven-thirties, and exchangeable for five per cent. bonds at maturity. Whatever plan Mr. McCulloch may adopt, he should decide promptly. Every one conversant with Wall street knows that gold-bearing bonds are extremely scarce. Five-twenties are as scarce in foreign markets as they are here. The investment demand for our citizens is so eager that it has taken up the whole mass of securities which have been remitted here from abroad, and has taken them up so rapidly that the price is considerably higher now than when the return movement set in last April. The same vigorous and insatiable demand may be expected for new bonds which has always been so conspicuous for the old ones.

The new tariff bill now before Congress has been the subject of much solicitude during the month. So far as we can understand, no one outside of Congress desires its passage, except a few iron men, and speculators with large stocks of goods on hand. Certainly such a bill is not for the interest of manufacturers, for every one will admit that stability in the tariff is of all things most to be desired by the manufacturer—and stability in the tariff is precisely what is endangered by unnecessary and exciting agitation of it. It is an extraordinary thing, if one will but calmly reflect upon it, that in a country which is ruled by a perpetual recurrence to the will of the majority, the large measure of protection which American manufacturers have received should ever have been accorded to them. Neither the influence of the great commercial centres like New York, which are directly interested in throwing down as much as may be all barriers to the free development of our import and export trade, nor that of the rapidly increasing agricultural States of the West, has heretofore been consolidated for the purpose of doing away with the principle of protection in our fiscal policy. It cannot certainly be the purpose of the manufacturing States to provoke such a consolidation, which, should it ever be effected, would rapidly and irresistably revolutionize our whole commercial system; and it is, therefore, very important that the manufacturing States themselves should take timely warning of the perils which they are certain to incur by an over-large desire on the part of their representatives to push the principle of protection beyond the limits at which it has been fixed for some years past.

Politics is an art of expedients. It is concerned with such waves of popular feelings, and such masses of material interests, that the utmost judgment is required of those who practice it to enable them to avoid pushing a given advantage so far as to unite an overwhelming reaction. A glance at the census tables, and a brief retrospect of the part played by the Western States in the late civil war, must satisfy every dispassionate observer that the practical control of our political affairs is destined, at no distant date, to pass into the hands of the Western people. When the Southern States shall return to their position in the Union as coequal participators in the halls of national legislation, the agricultural interests of the republic, especially when combined with its commercial interests, will be entirely irresistible. Surely, then, it is but an ordinary discretion which is needed to bear in mind the importance of avoiding everything which leads toward any direct conflict of legislation in Congress with this formidable combination of the future. The condition of the currency, which must, for some time to come, exert an influence on prices unfavorable to the comfort of the masses of consumers, and the continued pressure of taxation for public purposes, will necessarily dispose the popular mind at the North and West, as well as in our great cities, to view with extreme suspicion everything which can be even plausibly presented to it as wearing the aspect of protection to "a class" rather than to the general interest of the country. Let the cry once be raised against the tariff that it is, as Mr. Wilson, of Iowa, has already described it, a piece of "legislation in favor of keeping up high prices," and it needs no ghost from the dead to tell us how dangerous a tide of popular hostility may be raised not against a tariff of prohibition only, but against a tariff of protection as well. For it is the characteristic of reactions to be extreme, and precisely as we now find the ultra advocates of prohibition protesting that there are no industries which ought not to be fostered into life in America at any cost, so in the event of an anti-tariff reaction we may be sure that we shall hear the ultra enemies of protection affirming that no industries whatever merit or should receive legislative aid. All those manufacturers whose industries, under past tariff regulations, have become firmly fixed, and either yield a present profit or promise well for the near future, are directly concerned, and it should be their instant effort to moderate the extreme zeal of those advocates of their interests who threaten to jeopardize protection itself by urging it onward into practical prohibition.

The preparations for a great war in Europe have been productive of some very unusual fluctuations in financial movements at this centre. No sooner had we recovered from the drain of specie resulting from the London panic than we had to encounter a heavy demand from the capitalists of France and Germany, who, in anticipation of a wide spread and protracted struggle, called home their balances held in America, refusing to accept liquidation in any other form than gold. It was chiefly owing to this source of demand for the precious metal that, during the month of June, we exported \$15,936,307 of treasure from this port alone. At the close of the month the shipments had declined to a mere nominal amount, indicating that the double drain to Europe is closed. The total export of specie for the last six months amounts to \$45,493,138, an aggregate much larger than has occurred for the same months during the last seven years, and which exceeds the supply from California and from foreign sources by \$27,657,000.

69. The export of treasure from this port for the fiscal year ending June 30, amounts to \$58,598,062, which is 27,221,740 in excess of the imports from California and from foreign countries. Taking the movement for the last seven fiscal years, we find that the exports from New York have aggregated \$319,427,935, while we have drawn from California and foreign countries \$236,692,439, showing an excess of exports over receipts of \$82,745,496 for the whole period or an average of \$11,820,785 per annum.

The following is a statement showing the supply of treasure from California and foreign ports for the first six months of the current year, and the corresponding period for the previous seven years; also the amount exported for the same months and years :

Months, &c.	New Supply.			Exports to for. ports.	Excess of	
	California.	Foreign.	Total.		Supply.	Export.
January.....	\$1,485,816	\$72,771	\$1,558,087	\$2,546,236	\$.....	\$988,149
February.....	8,603,000	172,122	8,775,122	1,787,029	1,982,093	.....
March.....	8,958,290	285,854	9,244,145	1,035,039	8,209,106	.....
April.....	1,539,321	161,817	1,701,138	554,654	1,146,484	.....
May.....	8,992,148	893,073	9,885,221	23,833,878	.....	10,448,652
June.....	1,842,271	201,385	2,043,656	15,786,307	.....	13,692,651
Jan. June, '66.....	\$16,420,347	\$1,257,022	\$17,777,369	\$45,493,133	\$.....	\$27,785,769
do do '65.....	8,942,322	1,065,523	10,007,845	17,906,759	.....	7,898,914
do do '64.....	5,822,571	1,427,014	7,249,585	27,769,563	.....	20,520,978
do do '63.....	7,296,913	853,769	8,150,681	20,631,969	.....	12,481,288
do do '62.....	11,932,067	511,555	12,443,622	27,967,351	.....	15,525,729
do do '61.....	19,120,037	25,909,668	45,029,705	8,249,438	.....	.....
do do '60.....	17,591,978	691,831	18,283,807	21,578,841	41,780,267	23,496,459
do do '59.....	17,262,878	1,125,943	18,388,821	33,197,372	.....	14,808,551

The following are the totals for the fiscal years ending June 30 :

	New Supply.			Exports to for. ports.	Excess of	
	California.	Foreign.	Total.		Supply.	Export.
1863-66.....	\$29,009,811	\$2,758,510	\$31,768,321	\$58,598,062	\$.....	\$27,221,740
1864-65.....	16,027,536	1,904,091	17,931,627	40,911,318	.....	22,979,731
1865-66.....	10,732,978	2,101,525	12,834,503	56,911,650	.....	44,077,147
1866-67.....	21,294,633	1,732,490	23,027,123	52,092,639	.....	29,065,516
1867-68.....	27,347,979	11,690,800	39,038,779	28,963,163	10,075,116	.....
1868-69.....	26,104,332	34,070,167	60,174,499	21,861,768	46,316,731	.....
1869-70.....	39,921,818	2,382,309	42,304,127	58,097,335	.....	15,793,208
Seven years.....	180,443,107	56,239,882	236,682,989	319,427,935	.....	82,745,496
Ann'al av'ge.....	25,777,587	8,034,190	33,811,777	45,631,563	.....	11,820,785

The usual export demand for gold has caused some extreme fluctuations in the premium. Speculation has seized the opportunity for forcing up the premium; large amounts of gold having been bought up and held off the market by cliques much to the dismay of those who had sold heavily for future delivery. The opening price of the month was 140½; on the 18th the price touched 167½, but on the same day fell to 156½, and has since ranged between 157 and 148½. These extraordinary oscillations in the premium show how largely the price of gold may be influenced by considerations other than the credit of the government. Within one week we find a change of nineteen points in the premium, resulting entirely from speculative operations. The price for the month has averaged six higher than for the same period of 1865. The following statement shows the course of gold for the month :

COURSE OF GOLD FOR JUNE.

Date.	Open'g	High'st.	Lowest	Closing.	Date.	Open'g	High'st.	Lowest	Closing
Friday.....	140%	141	140%	141	Tuesday.....	154%	154%	154%	154
Saturday.....	141%	141%	140%	141	Wednesday.....	153	153%	152	152%
Sunday.....	8				Thursday.....	151%	151%	148%	148%
Monday.....	4 140%	148%	140%	148%	Friday.....	22 149%	149%	148%	148%
Tuesday.....	5 148%	146%	148%	146%	Saturday..	23 151%	152%	151%	152%
Wednesday.....	6 144%	146%	148%	144%	Sunday.....	24			
Thursday.....	7 146%	145%	142%	142%	Monday.....	25 153	155	152%	153
Friday.....	8 140%	141%	138%	139%	Tuesday.....	26 154%	157	154%	154
Saturday.....	9 139%	139%	139%	139%	Wednesday..	27 156%	155%	154%	155
Sunday.....	10				Thursday.....	28 154	154	151%	152%
Monday.....	11 137%	139%	137%	139%	Friday.....	29 153%	155	153%	154
Tuesday.....	12 143%	143%	141%	143	Saturday.....	30 154	154	152%	153%
Wednesday.....	13 143%	146%	142%	145%	June, 1866.....	140%	157%	151%	153%
Thursday.....	14 145%	147%	145%	147%	" 1865.....	138	145%	153%	141
Friday.....	15 148%	149%	147%	147%	" 1864.....	194	220	198	147%
Saturday.....	16 154	160	154	159	" 1863.....	146%	147%	144%	146%
Sunday.....	17				" 1862.....	103%	119%	102%	103
Monday.....	18 167%	167%	156%	156%					

The course of foreign exchange has varied with the extraordinary movements in foreign balances. For the first half of the month remittances were made almost entirely in sight bills, drawn chiefly against gold or Five-twenties. This caused a depression in sixty-days' bills, which was turned to account by parties "short" in gold, who borrowed exchange for sixty days, and forced it upon the market, in order to realize coin for covering their gold contracts. This had the effect of forcing down the best bankers' sixty-days' sterling bills from 109½ to 107½. Confidence in time bills recovered toward the close of the month, and exchange may be now considered to have recovered its ordinary tone and condition. At the close of the month there was a very marked caution in drawing upon Frankfort and Berlin, and to a certain extent on Hamburg also.

The following table shows the daily fluctuations of Exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg and Berlin, at New York, for June, 1866:

COURSE OF EXCHANGE FOR JUNE.

Days.	London. cents for 54 pence.	Paris. centimes for dollar. (Business closed—Gen. Scott's funeral.)	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....						
2.....	109% @ 109%	512% @ 510	41% @ 42%	79% @ 80%	36% @ 37%	73% @ 74
3.....						
4.....	109% @ 110	512% @ 510	42 @ 42%	79% @ 80	36% @ 37%	73% @ 74
5.....	109% @ 110	512% @ 510	42 @ 42%	79% @ 80	36% @ 37%	73% @ 74
6.....	109% @ 110	512% @ 508%	42 @ 42%	79% @ 80	36% @ 37%	73% @ 74
7.....	109% @ 110	515 @ 508%	42% @ 43%	79% @ 80%	36% @ 37%	74 @ 74
8.....	109% @ 110	515 @ 510	42 @ 42%	79% @ 80	36% @ 37%	74 @ 74
9.....	109% @ 110	515 @ 510	42 @ 42%	79% @ 80	36% @ 37%	74 @ 74
10.....						
11.....	109% @ 109%	515 @ 510%	42 @ 42%	79% @ 80	36% @ 37%	74 @ 74
12.....	109% @ 109%	515 @ 510	41% @ 42%	79% @ 80	36% @ 37%	74% @ 75
13.....	109% @ 109%	515 @ 510	41% @ 42%	79% @ 80	36% @ 37%	74% @ 75
14.....	109% @ 109%	515 @ 508%	42 @ 42%	79% @ 80	36% @ 37%	74% @ 75
15.....	109% @ 109%	515 @ 510	41% @ 42%	79 @ 79%	36% @ 37%	74 @ 75
16.....	109% @ 109%	515 @ 510	41% @ 42%	79 @ 79%	36% @ 37%	74 @ 75
17.....						
18.....	107% @ 108%	515 @ 507%	42 @ 42%	79 @ 80	36% @ 37	74 @ 75
19.....	107% @ 108%	517% @ 510	41 @ 41%	78 @ 79	36 @ 36%	73 @ 74
20.....	107% @ 108%	517% @ 510	41 @ 41%	78 @ 79	36 @ 36%	73 @ 74
21.....	107% @ 108%	517% @ 510	41 @ 41%	78 @ 79	36 @ 36%	73 @ 74
22.....	108 @ 108%	518% @ 512%	40 @ 41%	77% @ 79	36 @ 36%	73 @ 74
23.....	108 @ 108%	518% @ 512%	40 @ 41%	77% @ 79	36 @ 36%	73 @ 74
24.....						
25.....	108 @ 109	518% @ 512%	40 @ 41%	77% @ 79	36 @ 36%	73 @ 74

.....	108 @109	518½ @512½	40 @41½	77½ @78	86 @36½	74 @75
.....	109 @109	518½ @512½	40 @41½	77½ @78	86 @36½	74 @75
.....	108 @109	520 @512½	40 @41½	77 @79	85½ @36½	73½ @74
.....	108½ @109	517½ @513½	40½ @40½	77½ @79	86 @36½	74 @75
.....	108½ @108½	517½ @513½	40½ @40½	77½ @79	86 @36½	74 @75
ine.....	107½ @110	520 @507½	40 @42½	77 @80½	85½ @37½	73 @75
ay.....	108½ @109½	520 @510	40½ @42½	78½ @80	86 @37½	71 @74
pr.....	108½ @108½	537½ @517½	39½ @41	76½ @78½	85 @36½	69½ @71½
ar.....	108½ @108½	530 @518½	40 @41	77 @78½	85½ @36½	70½ @71½
eb.....	107½ @108½	532½ @517½	40½ @41	77 @79	85½ @36½	70½ @71½
an.....	108 @109½	523½ @515	40½ @41	78 @79½	86 @36½	71 @71½

Stock speculation has been steady, but feeble, partially owing to the diversion of attention to the Gold Room, and partially to the absence of operators in the country. The chief activity has been in Erie common stock, which has fluctuated between 57½ and 65½ and the aggregate transactions on which for the month have amounted to 457,820 shares. Prices, however, have been, on the whole, steadily maintained. The following comparison is of interest, as showing the number of shares sold at the Stock Exchange and the Public Board during each of the last twelve months :

	Shares of stocks sold.	Bank shares sold.		Shares of stocks sold.	Bank shares sold.
July, 1906.....	1,287,461	1,686	January, 1906.....	2,459,475	4,711
August.....	1,101,236	1,876	February.....	1,593,725	4,207
September ..	1,111,833	2,372	March.....	1,888,617	3,535
October	2,945,214	1,714	April.....	1,708,195	4,527
November.....	2,142,935	1,623	May.....	2,305,515	4,439
December.....	1,862,447	2,608	June.....	1,445,276	3,480
Total.....				21,857,099	36,632

The following are the closing quotations for leading stocks compared with those of previous weeks :

	May 25.	May 31.	June 8.	June 15.	June 22.	June 29.	July 6
Cumberland Coal.....	45½	....	46	....	....	46	45½
Quicksilver	52½	52½	51½	....	50½	47½	47½
Anton Co.....	57½	61	59½	60	59	54½	55½
Mariposa pref	23½	24½	24½	24	23	22½	23½
New York Central.....	94½	96	97½	98½	98½	98½	99½
Erie	68½	60½	63	61½	59½	61½	68½
Hudson River	113½	113½	....	111½	111½	....	....
Reading.....	110½	109½	109½	109½	108½	109½	x c 107½
Michigan Southern	80	80½	79½	79½	79	78½	80
Michigan Central.....	108	107	108	109	108	....	x c 105½
Cleveland and Pittsburg.	86½	84½	82	82	84½	82½	83½
Cleveland and Toledo....	104½	....	xd. 104	105	106½	104½	106½
Nor hwestern	28½	28½	31½	30½	29½	30	31½
" preferred..	58	58½	60½	59½	58½	59½	61½
Rock Island	93	....	92½	94	95	94	96
Fort Wayne	94½	97½	96½	97½	98½	98½	97½
Illinois Central	118	118½	121	122	120½	121	121½

The monthly range of prices of leading stocks sold at New York for the first six months of the current year are as follows :

The earnings for the first five months of the year compare as follows :

	1865.	1866.	
Chicago and Alton	\$1,455,605	\$1,427,290	Dec. \$28,315
Chicago and Great Eastern.....	390,759	490,911	Inc. 100,152
Chicago and Northwestern.....	2,576,446	2,706,762	Inc. 130,316
Chicago and Rock Island.	1,254,719	1,100,461	Dec. 154,258
Cleveland and Pittsburg.....	988,046	859,551	Dec. 128,495
Erie.....	5,996,696	5,496,440	Dec. 500,196
Illinois Central	2,604,354	2,526,280	Dec. 168,074
Marietta and Cincinnati.....	484,269	435,625	Inc. 1,416
Michigan Central	1,648,885	1,594,324	Dec. 74,061
Michigan Southern	1,182,763	1,250,814	Inc. 117,551
Milwaukee and Prairie du Chien.....	496,838	554,878	Inc. 57,540
Milwaukee and St. Paul.....	589,900	752,296	Inc. 162,396
Ohio and Mississippi	1,374,719	1,404,439	Inc. 29,720
Pittsburg, Ft. Wayne and Chicago.....	2,597,283	2,963,322	Dec. 633,961
Toledo, Wabash and Western.....	721,747	1,263,366	Inc. 541,619
Western Union	211,193	250,653	Inc. 39,460
Total (16 lines.....	\$25,483,662	\$25,072,412	Dec. 411,250

The length of the T., W. and W. in 1865 was 242 miles, and in 1866, 484 miles ; and hence it results that a relative decrease has been made, instead of the absolute increase shown above

The earnings of the Cleveland and Pittsburg for the first five months, 1864, '65. and '66. have been monthly as follows :

	1864.	1865.	1866	1864-5. Increase.	1865-6. Dec.
January	\$139,414	\$173,557	\$168,799	\$34,143	\$4,758
February	170,679	180,140	151,931	9,739	28,209
March	202,857	222,411	167,007	51,552	55,404
April.....	193,119	196,154	173,732	2,235	22,422
May.....	203,514	215,724	193,062	12,270	17,702
Five months.....	\$910,583	\$988,046	\$859,551	\$77,463	\$128,495

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Instructions of Comptroller of New York to Assessors, respecting taxation of Stockholders in National Banks—Prices of N. Y. City Bank Shares for six months—Returns of Banks of the three cities.

The Comptroller of the State of New York has issued the following circular to assessors of taxes, under the law relating to the assessment and taxation of the shareholders of banks :

STATE OF NEW YORK, COMPTROLLER'S OFFICE, }
ALBANY, June 28, 1866. }

Under the provisions of law which direct the Comptroller from time to time to transmit forms and instructions to the assessors throughout the State, and which require assessors to be governed thereby, the Comptroller deems it his duty to call the attention of these officers to the requirements of the act, chapter 751, laws of 1866, relating to the assessment and taxation of the shareholders of banks, and to prescribe the following rules for their observance :

First, In estimating the value of bank shares the usual course has been to assess them at their par value. But this standard cannot always be relied on as correct. The real value depends very much on the amount of surplus funds that has been accumulated, and where these amount to a large per centage on the capital, as they do in many instances, the real value of the shares will be increased in proportion. Hence to assess on the par value as a fixed rule, would result in a discrimination in favor of banks holding large amounts of surplus funds, and against others not similarly situated. Assessors should decide as to the value on the best information within their reach. In no case, however, should the assessment be less than the par value, without proper evidence that the capital has been impaired, that the losses actually charged over on the books. The Comptroller is informed that in several counties the assessors are disposed to assess bank shares at a price much less than the par value, under the pretence that in so doing they would only be giving to personal property, in the form of bank shares, the same advantage that is enjoyed by individual holders of other kinds of personal property, a large proportion of which it is said is concealed, and therefore not assessed or taxed. There is nothing in the act which justifies so loose and incorrect a mode of assessment. The provision in the first section that the shares shall not be estimated "at a greater rate than is assessed upon other moneyed capital in the hands of individuals," evidently refers to the rate per cent.

of tax, and not to the amount of the assessment. Such is the construction given to the passage by this department, and assessors should conform thereto.

Second. No deduction should be allowed shareholders from the assessment of their shares for debts. The only deduction provided for is a proportionate part of the real estate of the bank which is to be assessed against the corporation. If it had been the intention of the Legislature to allow of other deductions, it is fair to presume that they would have been expressly mentioned in the act. The inference that, because the value of the shares is to be included in the valuation of the personal property of the shareholder, his right of offset for debts will attach to this, as well as other items of his personal estate, does not appear reasonable or just. The value of the shares is to be included in the valuation of the personal property of the shareholder, "at the place, town or ward where the bank is located, and not elsewhere." Now, as a large proportion of the holders of bank shares reside in places, towns and wards other than where the institutions are located, it is plain the value of their shares cannot be included in the valuation of the personal property of this class, because it is a general provision of law that the taxpayer is to be assessed for his personal effects in the district where he resides. Hence, if the law were administered on the inference stated, it would give resident shareholders a privilege not possessed by non-residents, and thus result in an inequality which it may be presumed the legislature did not intend to sanction. It would have another bad effect, by making it impracticable for banks to assume and pay the taxes levied on the respective interests of their shareholders, as it is believed most of them will do, provided the shares are included in the valuation of the personal property of the stockholders, as a separate and distinct item. If mingled with other property, subject to deduction for debts, it would be difficult, if not impossible, to separate it from the mass, and ascertain the exact amount of tax with which it was chargeable. Thus, any benefit and convenience to be derived from an assumption of the tax by the banks would be lost. Practically, the question is of no importance, except to the few taxpayers, where debts exceed the value of their personal property other than bank stock. To the great majority the right of offset would be of no advantage if admitted, while it would create inequalities and embarrassments that would render the administration of the law more difficult.

Third. No deduction should be allowed for the proportionate interest of a shareholder in the stock or bonds of the United States held by the corporation. It is true that these securities cannot be taxed, either in the hands of corporations or individuals, but the Supreme Court of the United States, in the case of *Van Allen vs. Nolan et al.*, assessors, has decided that a tax on the shares is neither a tax of the capital of the bank nor of the stocks of the United States, where the whole or a portion of the capital may be invested in such stocks. However opinions may have differed on this subject, the case referred to must be taken as an authoritative decision of the question, which leaves the whole of the interest of the shareholder subject to the tax.

Fourth. In case of individual bankers, the act contemplates that they are to be assessed in the same way as banks and banking associations. This appears evident from the fact that, although they may not issue certificates of stock, each \$100 of their capital, for the purpose of taxation, is to be held and regarded as one individual share, and the shares are declared to be personal property. It should be understood, however, that the term "individual banker" does not include persons engaged in business under the name of bankers who are not organized as such under the banking laws of the State, who issue no circulation, and who do not therefore appear to come within the designation of the term as used in the act. The capital of this class is to be assessed on the same principle as the property of other individuals, and they are entitled to the same deductions from the amount of their assessments, for debts and investments in United States stocks.

Fifth. By the seventh section of the act, "the franchisees and privileges granted by the Legislature to savings banks or institutions for savings are declared to be personal property, and liable to taxation as such in the town or ward where they are located to an amount not exceeding the gross sum of their surplus earned and in the possession of said bank or institution."

The right to tax corporations for their franchisees is so clear that it is difficult to see how it can be strengthened by making them personal property, if that were possible. It is no less difficult to realize the policy or justice of taxing a bank for them to an amount equal to its whole earned surplus, a procedure which would at once close up every saving institution in the State. Construing the section in conformity with what is believed to have been the intention of the Legislature, though the language fails to express it, the Comptroller concludes that these institutions should be assessed on the amount of their surplus funds, after deducting such portion as may be inserted in the stocks of the United States. It is not easy to see how this deduction can be avoided by a tax on the franchisees and privileges, as provided in the act, if such tax be imposed in the usual form of a percentage on a fixed valuation or assessment. The stocks of the United States being exempt from taxation, they could not properly be included in the assessment and must therefore escape.

It is equally clear that these securities, as owned by savings banks, do not come within the scope of the Supreme Court before referred to. It is there held, substantially, that a tax on the shares of a banking corporation is not a tax on the stocks of the United States in the possession and ownership of the institution, but that, on the contrary, it is a tax upon the new use and application of these securities, conferred by the charter of the association. As there is no use or application of the indebtedness of the Government open to savings banks except such as is enjoyed in common with individuals—that is, the right of holding them for the purpose of investment—it seems plain that they are as fully exempted from local taxation in the one case as in the other.

THO. HILLHOUSE, Comptroller.

These instructions, issued by the Comptroller, need no comment as they are clear and explicit, and every shareholder will read them for himself. We give

The earnings for the first five months of the year compare as follows :

	1865.	1866.	
Chicago and Alton	\$1,465,605	\$1,427,490	Dec. \$38,115
Chicago and Great Eastern.....	300,750	400,911	Inc. 100,161
Chicago and Northwestern.....	2,576,446	2,705,763	Inc. 129,317
Chicago and Rock Island.....	1,354,719	1,100,461	Dec. 254,258
Cleveland and Pittsburg.....	968,048	850,551	Dec. 117,497
Erie.....	5,305,656	5,495,440	Dec. 189,784
Illinois Central	2,694,354	2,526,280	Dec. 168,074
Marietta and Cincinnati.....	434,809	437,626	Inc. 2,817
Michigan Central	1,668,863	1,594,824	Dec. 74,039
Michigan Southern	1,132,763	1,250,314	Inc. 117,551
Milwaukee and Prairie du Chien	495,833	554,378	Inc. 58,545
Milwaukee and St. Paul.....	569,900	762,226	Inc. 192,326
Ohio and Mississippi	1,374,719	1,404,470	Inc. 29,751
Pittsburg, Ft. Wayne and Chicago.....	2,597,223	2,959,823	Dec. 362,600
Toledo, Wabash and Western.....	731,747	1,262,366	Inc. 530,619
Western Union	211,193	230,633	Inc. 19,440
Total (16 lines).....	\$25,433,663	\$25,072,412	Dec. 361,251

The length of the T., W. and W. in 1865 was 242 miles, and in 1866. 494 miles; and hence it results that a relative decrease has been made, instead of the absolute increase shown above.

The earnings of the Cleveland and Pittsburg for the first five months, 1864, '65, and '66, have been monthly as follows :

	1864.	1865.	1866.	1864-5.	1865-6.
January	\$139,416	\$172,587	\$163,799	\$34,171	\$4,288
February	170,679	180,140	151,931	9,461	28,209
March	302,857	322,411	167,007	51,554	55,404
April	193,019	196,154	172,722	2,235	23,432
May	308,514	215,724	193,063	12,370	17,221
Five months.....	\$1,014,525	\$987,016	\$648,522	\$112,791	\$128,354

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

Instructions of Comptroller of New York to Assessors, respecting taxation of Stockholders of National Banks—Prices of N. Y. City Bank Shares for six months—Returns of Banks of the three cities.

The Comptroller of the State of New York has issued the following circular to assessors of taxes, under the law relating to the assessment and taxation of the shareholders:

Under the present forms and instructions, the assessors are governed to the extent of the requirements of the law. First, in estimating their par value, the assessors are very much at a loss, as the amount to a large extent is determined by the shares which would result in a large proportion of the shares being assessed at a value, without being charged over on the shares, and that in so doing the same advantage is nothing in the first instance, but upon other means.

of tax, and not to the amount of the assessment. Such is the construction given to the passage by this department, and assessors should conform thereto.

Second. No deduction should be allowed shareholders from the assessment of their shares for debts. The only deduction provided for is a proportionate part of the real estate of the bank which is to be assessed against the corporation. If it had been the intention of the Legislature to allow of other deductions, it is fair to presume that they would have been expressly mentioned in the act. The inference that, because the value of the shares is to be included in the valuation of the personal property of the shareholder, his right of offset for debts will attach to this, as well as other items of his personal estate, does not appear reasonable or just. The value of the shares is to be included in the valuation of the personal property of the shareholder, "at the place, town or ward where the bank is located, and not elsewhere." Now, as a large proportion of the holders of bank shares reside in places, towns and wards other than where the institutions are located, it is plain the value of their shares cannot be included in the valuation of the personal property of this class, because it is a general provision of law that the taxpayer is to be assessed for his personal effects in the district where he resides. Hence, if the law were administered on the inference stated, it would give resident shareholders a privilege not possessed by non-residents, and thus result in an inequality which it may be presumed the legislature did not intend to sanction. It would have another bad effect, by making it impracticable for banks to assume and pay the taxes levied on the respective interests of their shareholders, as it is believed most of them will do, provided the shares are included in the valuation of the personal property of the stockholders, as a separate and distinct item. If mingled with other property, subject to deduction for debts, it would be difficult, if not impossible, to separate it from the mass, and ascertain the exact amount of tax with which it was chargeable. Thus, any benefit and convenience to be derived from an assumption of the tax by the banks would be lost. Practically, the question is of no importance, except to the few taxpayers, where debts exceed the value of their personal property other than bank stock. To the great majority the right of offset would be of no advantage if admitted, while it would create inequalities and embarrassments that would render the administration of the law more difficult.

Third, No deduction should be allowed for the proportionate interest of a shareholder in the stock or bonds of the United States held by the corporation. It is true that these securities cannot be taxed, either in the hands of corporations or individuals, but the Supreme Court of the United States, in the case of *Van Allen vs. Nolan et al.*, assessors, has decided that a tax on the shares is neither a tax of the capital of the bank nor of the stocks of the United States, where the whole or a portion of the capital may be invested in such stocks. However opinions may have differed on this subject, the case referred to must be taken as an authoritative decision of the question, which leaves the whole of the interest of the shareholder subject to the tax.

Fourth, In case of individual bankers, the act contemplates that they are to be assessed in the same way as banks and banking associations. This appears evident from the fact that, although they may not issue certificates of stock, each \$100 of their capital, for the purpose of taxation, is to be held and regarded as one individual share, and the shares are declared to be personal property. It should be understood, however, that the term "individual banker" does not include persons engaged in business under the name of bankers who are not organized as such under the banking laws of the State, who issue no circulation, and who do not therefore appear to come within the designation of the term as used in the act. The capital of this class is to be assessed on the same principle as the property of other individuals, and they are entitled to the same deductions from the amount of their assessments, for debts and investments in United States stocks.

Fifth, By the seventh section of the act, "the franchises and privileges granted by the Legislature to savings banks or institutions for savings are declared to be personal property, and liable to taxation as such in the town or ward where they are located to an amount not exceeding the gross sum of their surplus earned and in the possession of said bank or institution."

The right to tax corporations for their franchises is so clear that it is difficult to see how it can be strengthened by making them personal property, if that were possible. It is no less difficult to realize the policy or justice of taxing a bank for them to an amount equal to its whole earned surplus, a procedure which would at once close up every saving institution in the State. Construing the section in conformity with what is believed to have been the intention of the Legislature, though the language fails to express it, the Comptroller concludes that these institutions should be assessed on the amount of their surplus funds, after deducting such portion as may be inserted in the stocks of the United States. It is not easy to see how this deduction can be avoided by a tax on the franchises and privileges, as provided in the act, if such tax be imposed in the usual form of a percentage on a fixed valuation or assessment. The stocks of the United States being exempt from taxation, they could not properly be included in the assessment and must therefore escape.

It is equally clear that these securities, as owned by savings banks, do not come within the scope of the Supreme Court before referred to. It is there held, substantially, that a tax on the shares of a banking corporation is not a tax on the stocks of the United States in the possession and ownership of the institution, but that, on the contrary, it is a tax upon the new use and application of these securities, conferred by the charter of the association. As there is no use or application of the indebtedness of the Government open to savings banks except such as is enjoyed in common with individuals—that is, the right of holding them for the purpose of investment—it seems plain that they are as fully exempted from local taxation in the one case as in the other.

THO. HILLHOUSE, Comptroller.

These instructions, issued by the Comptroller, need no comment as they are clear and explicit, and every shareholder will read them for himself. We give

below a table showing the monthly range of Bank Shares for the first six months of the current year :

Banks.	January.	February.	March.	April.	May.	June.
America.....	133 @135	187 @140	187 @137	187 @140	140½ @140½ @ ..
Amer. Exch	110 @118	113 @114	110 @113	115 @116	110 @114	111 @115
B. & Drovers'	@ ..	@ ..	120 @120	@ ..	145 @145	@ ..
Central	107½ @108	108 @109	107½ @109	102½ @106	107 @106	105 @107
Chatham	@ ..	@ ..	185 @137	@ ..	@ ..	@ ..
Commerce	103 @105	104 @107	105 @106	106 @108	109½ @110½	110 @114
Commonw'th.	@ ..	101 @101	100 @101	103 @103	101 @102	101 @111
Continental...	96 @ 97½	96 @ 97	96½ @ 97	97 @100	97 @100	100 @112
Corn Exch.....	@ ..	115 @115	114 @114	@ ..	@ ..	@ ..
First	@ ..	212 @212	@ ..	@ ..	@ ..	@ ..
Fourth	96 @ 98	97 @ 98	97 @100	100½ @103	103½ @104	105½ @106
Fulton	150 @150	@ ..	@ ..	@ ..	@ ..	@ ..
Gallatin	@ ..	@ ..	110 @110	@ ..	103 @107½	107½ @ ..
Hanover.....	@ ..	@ ..	@ ..	@ ..	113 @113	@ ..
Imp. & Traders	100 @100	100 @102	100½ @102	107 @110	108 @115	113 @116
Irving	110 @110	@ ..	@ ..	@ ..	@ ..	@ ..
Leather Manuf	@ ..	180 @180	@ ..	@ ..	@ ..	@ ..
Manhattan	@ ..	@ ..	@ ..	@ ..	@ ..	121 @122
Manuf & Mer.	@ ..	@ ..	102 @103	@ ..	103 @105	@ ..
Market	133 @138	@ ..	108 @108	@ ..	@ ..	114½ @114½
Mechanics.....	115 @115	118 @114	118 @114	113 @113	@ ..	@ ..
Mech. B Assoc	@ ..	@ ..	@ ..	108 @108	104 @106	105 @108
Merchants'...	210 @110½	110 @110	110½ @113	114 @115	114½ @116	110 @116
Merch. Exch.	@ ..	103 @106	106 @107	109 @113	115 @115	107 @110
Metropolitan..	120½ @122	120½ @122	120½ @121½	120 @122	120 @123	122 @125
Morgan	@ ..	107 @107	@ ..	@ ..	@ ..	@ ..
New York ...	110 @112	112 @112	112 @113	115½ @116	@ ..	@ ..
Ninth	102 @109½	108 @108	107 @109	109 @110	110 @111	112 @112
North Amer..	@ ..	@ ..	@ ..	110 @110	106 @107	110 @110
North River..	@ ..	120 @120	102 @102	@ ..	@ ..	@ ..
Ocean	95 @ 95	92 @ 93	91½ @ 93	97½ @ 98	100 @102	100 @106
Park	145 @150	145 @145	145 @155	@ ..	150 @150½	150 @156
Peoples'	@ ..	@ ..	@ ..	118 @118	@ ..	@ ..
Phoenix	96 @ 96	97 @100	96 ½ 98	98 @ 98	103 @105	104 @104
Republic	110 @112	108 @109	109 @109	109 @109	111 @111	113 @113
St. Nicholas..	@ ..	@ ..	100½ @102	101 @101	@ ..	104½ @105
Shoe & Leath.	100 @103	102 @106½	108 @111	110 @110	110 @110	@ ..
State of N. Y.	@ ..	@ ..	106 @106	108 @108	106 @109	108½ @109
Tradesman's.	@ ..	@ ..	131 @131	133 @135	@ ..	@ ..
Union	116 @...	118 @120	@ ..	@ ..	115 @115	@ ..

We give below the bank returns of the three cities. It will be seen that the specie in New York city is now reduced to the low figure of \$7,797,218 while the legal tenders are increased and now amount to \$81,882,640. The following are the returns of the New York City Banks :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tenders.	Ag. cl. & p.
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,582,428	\$195,482,254	\$71,617,487	\$270,612,259
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	72,019,257	604,022,575
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,759,892	538,992,773
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,144	516,322,777
Feb. 3.....	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	506,502,739
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,456,013	493,420,000
" 17.....	243,068,252	10,308,758	22,983,274	189,777,290	64,102,960	471,864,511
" 24.....	239,776,206	14,213,351	22,959,918	183,241,404	61,602,726	497,154,555
Mar. 3....	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	538,522,599
" 10.....	233,068,274	16,563,237	21,033,237	180,515,881	64,341,893	534,341,711
" 17.....	233,517,378	15,015,242	23,303,057	185,438,707	68,412,764	579,216,599
" 24.....	234,500,518	13,945,651	23,243,406	185,268,245	69,496,053	593,455,711
" 31.....	237,316,099	11,930,392	23,726,534	184,554,592	72,156,199	539,202,740
Apr. 7.....	242,643,753	11,486,245	24,117,011	189,094,961	71,445,015	604,312,727
" 14.....	244,009,829	11,035,129	24,533,981	193,153,469	73,910,370	574,537,729
" 21.....	242,067,063	9,495,463	24,045,857	196,804,773	77,612,768	535,394,773
" 28.....	245,017,692	8,243,937	25,377,280	202,718,574	80,589,022	533,394,773
May 5.....	233,974,134	10,914,997	25,415,677	210,373,303	81,214,447	604,312,727
" 12.....	257,621,317	13,970,402	24,693,259	217,552,153	85,040,659	533,394,773
" 19.....	255,690,463	13,595,465	25,159,864	217,427,729	85,710,107	574,537,729
" 26.....	257,969,598	19,736,929	26,223,867	208,977,905	73,829,947	714,312,727
June 2... ..	250,959,022	21,858,093	26,244,155	198,121,269	69,128,792	714,312,727
" 9.....	249,583,959	15,821,663	25,967,253	202,502,949	74,623,976	633,394,773
" 16.....	247,801,547	11,217,845	25,887,876	202,415,673	79,172,294	633,394,773
" 23.....	248,436,808	8,504,096	26,585,394	201,969,248	80,840,579	633,394,773
" 30....	250,884,168	7,797,218	26,706,622	204,357,272	81,882,640	633,394,773

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$4,941,001	\$820,822	\$7,226,209	\$26,842,306
" 8.....	17,396,320	46,774,150	963,635	7,319,528	26,618,004
" 15.....	17,267,412	47,350,423	1,007,186	7,257,972	26,947,709
" 22.....	17,052,569	47,254,622	1,012,980	7,411,327	26,214,658
" 29.....	16,241,277	47,607,559	1,008,825	7,422,524	25,400,891
Feb. 5.....	16,481,015	47,223,001	1,000,680	7,609,365	24,641,136
" 10.....	16,852,737	47,249,863	996,312	7,619,599	24,464,070
" 17.....	16,777,175	46,941,337	953,207	7,643,002	23,926,542
" 24.....	17,282,802	46,865,572	1,020,406	7,732,070	23,032,263
Mar. 3.....	17,447,636	46,604,762	1,041,392	8,101,049	22,815,094
" 10.....	17,292,534	46,546,879	1,038,694	8,248,100	22,511,709
" 17.....	16,875,606	46,690,738	1,026,066	8,448,164	22,112,427
" 24.....	15,969,314	46,042,150	981,922	8,540,200	22,144,240
" 31.....	15,934,879	46,043,426	980,630	8,794,220	22,271,653
April 7.....	16,622,222	46,022,641	946,288	8,730,270	22,792,280
" 14.....	16,323,759	45,114,609	949,116	8,743,326	22,610,764
" 21.....	16,660,512	45,782,732	936,276	8,761,212	22,448,065
" 28.....	16,949,719	46,232,734	890,241	8,779,166	22,132,222
May 5.....	19,144,600	46,005,654	912,022	8,794,349	22,947,007
" 12.....	19,645,263	46,226,256	896,741	8,930,420	22,414,522
" 19.....	19,648,329	46,526,567	897,912	8,918,936	22,224,645
" 26.....	19,716,098	46,036,964	897,094	8,968,742	22,074,412
June 2.....	21,154,909	47,564,926	890,121	9,022,553	22,189,566
" 9.....	21,562,046	46,118,897	869,622	9,007,516	22,261,644
" 16.....	20,508,591	46,816,145	897,261	9,212,553	22,672,479
" 23.....	21,106,316	46,166,814	899,929	9,290,094	22,715,202
" 30.....	21,435,636	46,226,904	863,454	9,226,475	22,242,979

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1.....	\$91,421,477	\$301,415	\$12,807,200	\$28,451,794	\$21,497,854	\$1,404,721
" 8.....	92,345,129	1,031,327	19,914,065	41,712,122	21,806,180	1,529,798
" 15.....	92,959,764	1,029,106	20,428,014	41,712,122	21,943,506	1,272,942
" 22.....	92,665,111	1,040,114	20,750,698	41,712,122	22,084,612	1,216,676
" 29.....	92,877,743	1,009,012	20,544,530	41,712,122	21,899,318	1,187,646
February 5.....	94,572,358	876,257	20,568,126	41,712,122	22,326,472	1,126,722
" 12.....	94,069,127	632,591	20,412,590	41,712,122	22,348,628	1,067,222
" 19.....	95,240,429	508,498	20,418,909	41,712,122	22,602,631	1,052,221
" 26.....	93,599,040	521,292	20,262,177	41,712,122	22,697,971	1,042,022
March 5.....	92,660,519	556,866	20,031,968	41,712,122	22,606,825	1,006,719
" 12.....	90,705,159	623,222	19,905,120	41,712,122	22,730,222	721,609
" 19.....	91,902,811	606,992	20,470,016	41,712,122	24,018,918	910,740
" 26.....	91,231,226	612,122	20,918,521	41,712,122	22,019,297	901,220
April 2.....	92,361,979	522,556	20,761,014	41,712,122	22,067,692	899,222
" 9.....	92,142,978	487,463	20,234,570	41,712,122	22,266,542	890,022
" 16.....	91,240,898	457,642	19,902,647	41,712,122	22,526,042	777,122
" 23.....	90,120,297	411,692	19,309,145	41,712,122	22,469,426	744,041
" 30.....	86,722,001	401,112	19,549,614	41,712,122	22,866,656	744,422
May 7.....	90,369,669	578,150	21,415,716	41,712,122	23,516,320	712,622
" 14.....	90,328,554	501,012	22,462,622	41,712,122	22,551,579	695,222
" 21.....	89,634,664	472,172	22,972,609	41,712,122	22,196,908	681,219
" 28.....	91,823,402	426,291	22,558,956	41,712,122	22,722,277	644,622
June 4.....	92,287,644	508,991	22,148,878	41,712,122	22,879,075	608,271
" 11.....	89,878,922	274,222	22,470,926	41,712,122	22,912,556	420,522
" 18.....	87,568,529	271,522	21,426,749	41,712,122	21,845,977	544,941
" 25.....	94,226,170	222,222	22,019,426	41,712,122	22,622,006	607,271

IMPORTS OF DRY GOODS FOR THE YEAR 1865-66.

We are now able to complete our tables showing the imports of foreign dry goods at this port for the month of June and for the fiscal year which has just closed. It will be seen that the imports the past month have been less than for any previous month since Jan. 1, except May, and yet the total is larger than for the same period of either one of the previous three years. The total value landed here since the 1st of June was \$7,316,612; during the same time \$7,718,309 went directly into consumption, and \$2,048,974 went into warehouse. Below are the figures for the month :

* For the week ending June 16 no returns were received from the Nat. Bank of Redemption.

**IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE MONTH OF JULY.
ENTERED FOR CONSUMPTION.**

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$537,604	\$282,521	\$1,213,639	\$1,351,179
do cotton.....	190,804	134,279	59,873	72,297
do silk.....	553,734	720,041	1,370,534	722,227
do flax.....	813,658	149,692	855,011	739,328
Miscellaneous dry goods.....	92,822	82,951	163,012	341,624
Total entered for consumption.....	\$1,688,672	\$1,232,474	\$4,200,661	\$4,377,444

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$325,796	\$31,786	\$694,181	1,025,498
do cotton.....	60,039	80,254	191,618	221,174
do silk.....	91,436	66,354	193,114	507,125
do flax.....	107,533	55,206	254,112	77,871
Miscellaneous dry goods.....	15,564	3,154	36,033	22,777
Total withdr'n from warehouse...	\$600,418	\$176,754	\$1,369,108	\$3,575,475
Add entered for consumption.....	1,688,672	1,232,474	4,200,661	4,377,444
Total thrown on the market.....	\$2,289,090	\$1,500,233	\$5,639,769	\$7,952,919

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$154,339	\$1,812,300	\$657,547	\$1,600,970
do cotton.....	189,225	276,915	39,286	49,077
do silk.....	135,413	877,473	322,473	241,945
do flax.....	210,888	890,950	139,533	411,134
Miscellaneous dry goods.....	22,834	160,701	22,539	106,514
Total ent. for warehousing.....	\$1,212,751	\$3,478,229	\$1,181,407	\$2,809,636
Add ent. for consumption.....	1,688,672	1,232,474	4,200,661	4,377,444
Total entered at the port.....	\$2,901,423	\$4,801,703	\$5,442,068	\$7,187,070

We now present a table showing the total imported here during the last six months:

**IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR SIX MONTHS FROM
JANUARY 1.**

ENTERED FOR CONSUMPTION.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$8,051,673	\$13,214,303	\$6,579,939	\$16,029,377
do cotton.....	2,663,167	4,294,404	2,355,811	2,500,499
do silk.....	4,887,776	9,081,525	4,843,221	9,974,335
do flax.....	3,837,430	4,840,662	3,351,851	7,655,690
Miscellaneous dry goods.....	1,372,376	2,107,343	957,522	2,392,227
Total ent. for consumption...	\$21,012,422	\$33,508,239	\$17,075,474	\$41,052,128

WITHDRAWN FROM WAREHOUSE.

	1863.	1864.	1865.	1866.
Manufactures of wool.....	\$2,096,485	\$4,255,204	\$4,481,465	\$3,941,177
do cotton.....	768,788	1,672,773	2,137,353	4,051,397
do silk.....	1,414,423	2,192,726	2,182,819	3,251,620
do flax.....	780,640	1,912,069	2,711,733	2,172,706
Miscellaneous dry goods.....	243,185	874,210	541,424	641,290
Total withdr'wn from wareh'se...	\$5,309,420	\$10,407,017	\$12,024,739	\$20,057,190
Add entered for consumption.....	21,012,422	33,508,239	17,075,474	41,052,128
Total thrown on the market.....	\$26,815,842	\$43,915,256	\$29,100,213	\$67,075,388

ENTERED FOR WAREHOUSING.

	1863.	1864.	1865.	1866.
Manufactures of wool.. ..	\$3,773,278	\$6,172,635	\$3,180,239	\$10,911,149
do cotton	1,816,257	1,871,514	1,170,143	1,721,079
do silk... ..	1,693,893	2,841,148	1,143,000	2,410,402
do flax... ..	1,743,436	2,031,237	1,724,350	3,494,779
Miscellaneous dry goods.....	352,784	434,436	321,894	751,443
Total entered warehouse	\$9,887,188	\$12,851,740	\$7,549,626	\$20,722,259
Add entered for consumption.....	21,012,422	33,508,239	17,075,474	41,052,128
Total entered at the port . . .	\$30,399,560	\$46,359,979	\$24,624,166	\$67,760,713

From the foregoing we see that since January 1st there has been landed here 20 foreign dry goods, a total value of \$67,760,713, and that an equal amount has been thrown upon the market. We now give the figures for the fiscal year, which closes with June, showing the relative totals of dry goods imported at New York during the last twelve months:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK FOR THE FISCAL YEAR
ENDING WITH JUNE.

	1862-3.	1863-4.	1864-5.	1865-6.
ENTERED FOR CONSUMPTION.				
Manufactures of wool.....	\$21,005,248	27,984,879	\$9,769,958	\$37,257,371
do cotton.....	5,951,521	6,685,070	3,406,868	18,907,481
do silk	10,944,736	16,855,165	6,339,873	21,938,699
do flax	7,705,165	8,339,549	5,592,015	15,806,395
Miscellaneous dry goods.....	2,814,718	3,879,810	1,654,812	6,907,467
Total entered for consumpt'n.....	\$48,421,383	\$63,245,473	\$26,762,595	\$100,613,375

	1862-3.	1863-4.	1864-5.	1865-6.
WITHDRAWN FROM WAREHOUSE FOR CONSUMPTION.				
Manufactures of wool.....	\$3,776,048	\$8,030,252	\$12,341,240	\$14,134,742
do cotton	1,489,269	2,760,618	3,270,830	4,920,502
do silk.....	2,357,640	3,497,231	4,620,578	5,552,117
do flax	1,334,934	3,596,923	4,578,956	4,674,277
Miscellaneous dry goods.....	593,384	592,006	1,125,015	911,693
Total withdr'n from w'house.....	\$9,551,273	\$18,527,030	\$25,996,619	\$30,194,326
Add ent'd for consumption.....	48,421,383	63,245,473	26,762,595	100,613,375
Total thrown on the market.....	\$57,972,658	\$81,772,503	\$52,759,214	\$130,907,711

	1862-3.	1863-4.	1864-5.	1865-6.
ENTERED FOR WAREHOUSING.				
Manufactures of wool.....	\$5,648,602	\$9,311,114	\$11,409,214	\$15,923,266
do cotton.....	2,523,347	2,215,381	2,861,494	6,204,498
do silk	2,467,514	4,473,808	3,470,816	5,468,133
do flax	2,307,415	3,301,273	4,260,857	6,852,026
Miscellaneous dry goods.....	594,736	687,917	1,029,463	1,014,347
Total entered for warehousing.....	\$13,541,654	\$19,989,493	\$23,091,344	\$35,462,270
Add entered for consumption.....	48,421,383	63,245,473	26,762,595	100,613,375
Total entered at the port.....	\$61,963,037	\$83,234,966	\$49,853,939	\$136,075,645

We thus have a total value for the year of \$136,075,645 of foreign dry goods landed at the port of New York, being almost three times the total of last year. Had it not been for our exports of cotton since the close of the war, we can easily imagine what would have been the effect of such immense importations. It should be remembered, too, that the values given in these tables represent the foreign cost of the goods in gold, freight and duty not added. To show the excess of the imports of dry goods this year over previous years, we give the following table of totals for sixteen years:

IMPORTS OF FOREIGN DRY GOODS AT NEW YORK.					
Year.	Value.	Year.	Value.	Year.	Value.
1850-51.....	\$64,612,747	1856-57.....	\$92,669,068	1862-63.....	\$61,963,037
1851-52.....	57,421,062	1857-58.....	67,327,736	1863-64.....	83,234,966
1852-53.....	79,192,513	1858-59.....	93,549,063	1864-65.....	49,853,939
1853-54.....	92,889,627	1859-60.....	107,842,205	1865-66.....	136,075,645
1854-55.....	63,918,443	1860-61.....	83,310,345		
1855-56.....	85,898,690	1861-62.....	88,155,720		

That our readers may see the total of each description of goods imported during the year, we have classified them, giving also in the table below a comparison with the three previous years :

IMPORTS OF DRY GOODS AT NEW YORK FOR THE YEAR ENDING WITH JUNE.				
Description of Goods.	1862-3.	1863-4.	1864-5.	1865-6.
Manufactures of Wool.....	\$26,652,850	\$37,295,998	\$21,238,172	\$53,174,637
do cotton.....	3,474,908	3,900,451	6,264,362	25,111,979
do silk	13,412,250	20,829,973	9,810,688	27,406,832
do flax	10,012,580	11,640,822	9,852,452	22,458,388
Miscellaneous dry goods.....	3,409,449	4,567,727	2,684,265	7,923,814
Total imports	\$61,963,037	\$83,234,966	\$49,853,939	\$136,075,645

IMPORTS OF WHEAT AND FLOUR INTO GREAT BRITAIN AND AVERAGE PRICES
SINCE 1854.

Below, we give a statement showing the extent of the imports into Great Britain and Ireland of wheat and flour from each principal country in each of the last five years. Prussia figures for a considerable quantity : but, on comparing the statement with the return for the four months published in this number of the Magazine, page

88, it will be observed that Prussia, this year, has not been shipping on so extensive a scale as in 1864. It is necessary, however, to bear in mind that, during the first four months of the year, Prussian ports have been blocked up by ice, so that arrivals during that period afford no criterion as to the probable extent of the year's shipments. With respect to France and Russia, it will be observed that, during the present year, their shipments have been on a considerably larger scale than in former years:

IMPORTS OF WHEAT AND FLOUR INTO THE UNITED KINGDOM IN EACH OF THE LAST FIVE YEARS.

WHEAT.					
	1861.	1862.	1863.	1864.	1865.
Russia—Northern ports.....cwt.	677,127	669,730	670,688	1,307,773	841,551
" Southern ports.....	3,835,871	5,061,298	3,863,622	3,811,836	7,349,554
Denmark and the Duchies.....	988,680	629,798	555,338	1,001,535	881,429
Prussia.....	4,453,510	6,285,481	4,410,497	4,935,828	5,465,513
Hanse Towns.....	927,966	679,033	316,390	494,407	444,469
Germany (other parts).....	563,026	410,401	388,689	672,688	673,150
France.....	783,913	974,285	147,481	587,105	2,252,577
Spain.....	712,417	9	4	1,894	121,351
Wallachia and Moldavia.....	591,491	474,972	132,526	127,908	138,641
Turkish Dominions (not otherwise specified).....	411,277	1,284,489	282,093	83,066	325,155
Egypt.....	1,472,514	3,229,156	2,319,590	366,868	14,065
British North America.....	2,381,273	3,732,959	2,093,957	1,225,533	305,725
United States.....	10,866,891	16,140,670	8,704,401	7,895,015	1,177,571
Other countries.....	1,289,574	1,381,327	479,960	407,138	95,664
Total.....	29,965,532	41,083,503	24,864,171	23,196,714	20,922,563

FLOUR.					
	1861.	1862.	1863.	1864.	1865.
Russia—Northern ports.....cwt.	21,854	3,769	3,703	3,141	9
" Southern ports.....	134	89	.....	.....	.....
Denmark and the Duchies.....	20,857	13,563	20,069	27,766	45,661
Prussia.....	7,250	2,463	10,724	23,537	65,257
Hanse Towns.....	279,009	256,972	308,217	380,770	261,736
Germany (other parts).....	12,468	2,245	8,673	4,239	3,114
France.....	460,775	790,040	1,367,938	1,812,855	2,044,221
Spain.....	467,872	253,498	9,111	125	8,265
Wallachia and Moldavia.....	.....	8	.....	.....	.....
Turkish Dominions (not otherwise specified).....	.....	121	4	.....	.....
Egypt.....	1,573	12,338	2,437	475	.....
British North America.....	805,339	1,108,591	883,352	488,039	177,521
United States.....	3,794,865	4,499,534	2,531,822	1,745,963	265,265
Other countries.....	280,842	262,908	64,925	82,430	54,124
Total.....	6,152,938	7,207,113	5,212,977	4,512,301	3,994,671

The average price of English wheat in England is now 52s., against 41s. last year. The finest Prussian wheats are worth 46s., the finest Russian 52s. to 54s., and the finest red American 51s. per quarter. The following prices of wheat for ten years are made up from official sources:

	Average price of Wheat per qr.—				Average price of Flour per cwt.—			
	Rus'a.	Prus'a.	Egypt.	U. S.	France.	Spain.	U. S.	R.N. Amer.
	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1854.....	3 6 8	3 13 6	2 3 4	3 11 2	1 2 2	1 8 2	1 1 6	.....
1855.....	2 19 8	4 0 0	2 10 0	4 3 9	1 4 6	1 4 6	1 4 0	.....
1856.....	3 1 0	3 13 0	2 2 6	3 10 0	1 4 0	1 4 0	1 0 0	.....
1857.....	2 11 8	3 0 10	1 19 9	2 18 9	1 0 5½	1 1 0	0 17 7	0 15 1
1858.....	2 2 4	2 6 9	1 9 5	2 8 1	0 18 7½	0 18 8	0 15 1	0 11 5½
1859.....	2 2 4	2 8 8	1 11 3	2 3 10	0 14 6	0 14 2	0 14 0	0 13 9
1860.....	2 14 7	2 19 4	2 4 8	2 17 8	0 18 2	0 18 2	0 16 2	0 14 6
1861.....	2 13 9	3 0 2	1 19 9	2 15 2	0 18 8	0 18 0	0 15 5	0 13 3
1862.....	2 7 2	2 15 4	1 14 8	2 10 3	0 17 6	0 18 4	0 14 4	0 14 3
1863.....	1 19 0	2 9 9	1 13 8	2 3 9	0 15 6½	0 15 4½	0 12 7½	0 12 4½
1864.....	1 16 6	2 3 10	1 16 2	2 0 5	3 13 7½	0 12 0	0 11 10½	0 11 1½

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

AUGUST, 1866.

LEGISLATIVE LOBBYING.

The recent libel suit in the city of Brooklyn, which related principally to the alleged complicity of a Senator in "some of the rascalities of Albany legislation," may serve to indicate to the public the agencies employed to "accomplish legislative results." There is necessarily a vagueness in the testimony when enquiries are directed to specific measures, as a full disclosure might be attended with disagreeable contingencies. But enough of fact percolates through to enable the intelligent reader to apprehend the character of the transactions, as well as of the men concerned in them.

The evidence shows that there exists a peculiar guild, or "close corporation" at the State capital, the members of which make it their principal business to traffic in legislation. Common rumor has long ago indicated the prominent individuals thus operating together. It is no part of our purpose in this article to deal with them personally, and we shall studiously refrain from directing attention specifically to individuals. We will state simply that they are known in their collective capacity as "the Lobby," and act together in all their principal operations. They may gamble in stocks and other speculations, but that is "outside."

Every one will perceive that measures of real merit and importance, especially when they concern private business, require the personal attention of somebody to see them properly supported, moved forward in the usual course of legislation, and their passage furthered by honorable and legitimate means. Individuals who may be immediately interested sometimes remain for weeks at the capital for that purpose, and sometimes employ a person in whose sagacity and integrity they have

confidence to do that labor for them. Although such work as this is not improperly designated as "lobbying," yet every intelligent man at the State capital knows that it is not the kind which entitles the person doing it to be considered as a member of "the lobby" in the accepted sense of that designation, any more than the fact of being a bricklayer entitles the person to be regarded as belonging to the order of Free and Accepted Masons.

The Lobby employs its agents in every direction to ascertain what measures "have money in them," principally, it would seem, from the declaration of an adept, for the purpose of learning the amount to be received for defeating them, as being the most remunerative service. If the friends of such measures neglect to comply with the requirements imposed upon them, they will find every species of imaginable difficulty in their way. Particular members of a legislative committee will suggest objections; or if there are no such, there will be a man on the floor of the House making a display of conscientiousness, who will manage to delay their progress by the usual parliamentary tactics, till "reasons" shall have been produced to convince him of their unobjectionable character. It is hardly necessary to add that the expression *reasons* is a slang term, meaning a pecuniary consideration.

Of late years, it is stated that members of the Legislature have become sufficiently expert to arrange their own negotiations, so that none of these measures which formerly were taxed solely for the benefit of the Lobby are passed without contributing to the personal emolument of many of the members voting for them. Certainly, it has become common for the Lobby, after their business has been transacted or spoiled, to denounce members of the Legislature as corrupt—truthfully enough, but probably from pique or disappointment rather than because of any conscientious emotion.

In 1860 the manipulations in connection with the passage of the New York City Railroad bills produced a political rupture. The Lobby had laid down the programme, and the bills were introduced into the Assembly by obscure and unobtrusive members, apparently as "harmless as sucking doves." About this time another actor appeared on the scene. A bill was introduced into the Senate authorizing one company to lay a railroad in forty-seven streets. It was reported, printed, and passed with apparently reckless haste, to be reported against in the Assembly, and killed with every show of virtuous indignation. A singular transformation took place shortly afterward in the bills which had been incubating in the Committee of the Assembly, and they were reported and passed, the names of the granters of the monstrous Senate bill having first been divided among them. The Governor did not sign them, nor seriously oppose them. Subsequently, every member of the dominant political party who took part in the passage of the mammoth bill of the Senate was discarded from communion with his former associates. The dissensions and singular combinations of several public men of different factions which took place soon afterward were in this way the sequence of this legislation.

It is not to be supposed from these expositions that the legislation of our State is especially tarnished beyond that of others. The peccadilloes of the legislature of New Jersey have often been the theme of curious

remark, champagne suppers being said to constitute an argument which few of its representatives are capable of resisting. But the scandals are not so noteworthy as those of other and larger commonwealths. Pennsylvania is, perhaps, worse talked about than any other State. There legislation is openly declared to be matter of bargain and sale; and the election of Senators to represent that commonwealth at Washington has more than once been accomplished under circumstances indicative of shameless bribery. Whether that imputation has become less deserved during the few years past, we cannot undertake to decide. Similar criticisms have been made in regard to the Legislatures of Indiana, Illinois and Wisconsin, one or two Governors having been more or less implicated in the transactions. There is too good reason to believe, after all due allowance shall have been made for false reports and misrepresentation, that much is still true. It is morally certain that although members of legislatures may return to their constituencies at the close of a session wiser, they by no means return better men.

These imputations, however, are not confined to this country, this continent, or the present period of history. A Roman Senator, as Sallust informs us, was bribed by the Numidian King Jugurtha; and the bestowment of gifts to obtain the suffrages of the Roman people was notorious. At Athens, Themistocles was reproached by his great rival for corruption; and Philip of Macedonia, it is a well established fact, suborned the principal orators of the city. In Sparta also, where money was less prized, it was often potent enough to swerve kings from their fealty to their country. The monarchs of Persia maintained leading men among the Greeks. We read that the Apostle Paul was detained two years in prison because the procurator Felix hoped to obtain money from him for a release. Subsequent history has kept up its resemblance in this respect to the ancient. Hardly the court or country exists in the eastern hemisphere where money will not open any door, or procure any verdict. In China the *cash* is omnipotent; in Turkey *backshish* controls all from the meanest to the *cadi* and *padisha*. Once the Russian autocrat Nicholas attempted to examine and reform his civil administration, and procured reports from his subordinate officers; but on perusing them declared to the Tzarowitch: "They all steal but you and I." England herself can claim no exemption from the general misfortune. Her history is disgraced as badly by peculation as by perfidy or cruelty. Stanley, through whom Richard III., "Dickon his master was bought and sold" at Bosworth, was but a single instance of the mercenary character of noblemen as well as of the commoners of England. While the Angevine kings used to maintain the barons of Scotland, many of the men about their own court were under the pay of France. Louis XIV. obtained his advantage in making the English kings themselves his pensioners. William III. ruled as effectively by money as with arms; and subsequent monarchs have continued the practice—so commendable at least for simplifying the art if not the science of government.

The expenses of electing members of Parliament are exactly in point. For the present members, they were enumerated by Mr. Lowe, of the House of Commons, several of them as follows:—For Stafford, £5,400; for Stoke-upon-Trent, £6,200; for Sunderland, £5,000; for Westminster, £12,000. The justly celebrated John Stuart Mill represents the West

minster borough and refused to give anything but personal exertion, yet the cost to his friends was £2,300. Mr. Lowe went on :

But look to the state of our election practices when such an outburst of popular feeling could not be given effect to without that enormous sacrifice of money. I will now call attention to two or three counties. The subject has not been sufficiently dwelt upon, but it bears materially upon the question before us to-night. I will take the southern division of Derbyshire. The election cost £8 500, and this is the cheapest I shall read. The northern division of Durham cost £14,620, and the southern division £11,000. South Essex cost £10,000, and North Essex £16,000. West Kent cost £12,000, South Lancashire £17,000, South Shropshire £12,000, North Staffordshire £14,000, North Warwickshire £10,000, South Warwickshire £13,000, North Wiltshire £18,000, South Wiltshire £12,000, and the North Riding of Yorkshire £7,000. Now, I ask the House how it is possible that the institutions of this country can endure if this kind of thing is to go on and increase.

These figures leave no opportunity for others to harangue about the corruption of American politics. The employment of money to secure the popular suffrage is as old as representative government; and we apprehend that it has been the experience of old countries that the more general and liberal the suffrage the more easy has been its purchase. That a similar mercenary spirit should pervade Cabinets and Halls of legislation is no greater marvel. Human nature is pretty nearly identical in the prince and peasant, in the statesman and the "bribed elector," and its imperfections will crop out.

Moralising upon the subject is of little use; declamation about it, as we often notice in the daily newspapers, is more than idle. The root of the evil is not well understood; and, if it was, there is hardly a public journal that would dare expose it to public reprehension. The evil of corruption at elections, and of dishonesty in the lobbies of legislative bodies, is incidental to the infirmities of mankind; and, like other offenses, can only be checked in some of its outbreakings, but not eradicated till human nature itself shall have undergone renovation.

We may expect that close organizations, like political committees, lobbies and legislatures, rings in common councils, and other municipal bodies, will arise as quickly as mushrooms and with greater tenacity of life. We regret that legislation should be made mercenary, or that speculation on the bench should be suspected. We would not have the idea of official honesty treated as a very jest. But we are disposed to take a more cheerful view of the matter than the misanthropic are disposed to be. It has been the rule for many centuries, and yet the world has lasted; nations have lived out their time, and there has been general prosperity. Statesmanship appears to be little else than judicious employment of human motives in the business of governing, and he is the wisest who is best able to maintain a due equilibrium of human passions and ambitions. Still the whole world moves, and will continue to move.

We have to expect to be often deceived. Politicians are proverbially inconstant. Good legislation is often defeated if its supporters do not pay the fees of a ring and lobby. We shall denounce this whenever we detect it, and shall delight to see princes of the lobby arraigned before courts of justice. But these are only checks to the offence. Instead, therefore, of predicting all manner of calamities, and making ourselves unhappy and dyspeptic over the matter, we shall be wiser to go on with

our business, pay our "backshish" to the lobby-chief whom we meet, rejoice that it is no higher, and regard it as one of the conditions of human society to which it becomes us to submit with as good a grace as possible. It ought to be better; it is fortunate for us that it is no worse.

OUR RAILROADS.

The late war has proved to be coincident with a very remarkable development of the railroad interest of the country. The business of the roads has so far increased that, while floating debts have been extensively liquidated and the condition and capacity of the roads has been improved, yet most of the companies have assumed a steady dividend-paying position.

This improvement is, to some extent, due to circumstances connected with the war, and yet not wholly. That large portion of the traffic in Western products which, before the war, took the route of the Mississippi river has since the commencement of hostilities been diverted to the railroads; nor is there now any very apparent tendency for it to return to its former channel. Traffic routes change so slowly that it is not at all improbable that the roads may retain for years what they have taken from the Mississippi; and the probability is all the greater from the fact that every year the river becomes more difficult of navigation. The derangement of values connected with the suspension of specie payments has involved a very large enhancement of the rates of freight, so that the net earnings, as represented in currency, have borne a larger ratio to the capital than they would had affairs been upon a specie basis; and the percentage of dividends has consequently ranged higher. This consideration is more important than it may appear at first sight. The capital of the roads represents a specie investment; the dividends are paid in a depreciated currency; so that to-day a six per cent. dividend is equal to a much less amount in gold. Important errors may easily arise in estimating the value of the earnings of the roads if this consideration is not kept in view.

The close of the war was attended with the stoppage of a large amount of military transportation; and the lightness of the crops of last year left an unusually small surplus of products to be moved to the seaboard for exportation; so that it has been very generally anticipated that the earnings of the roads this year would fall below those of 1865. Hitherto, however, a contrary result has appeared. The following comparison of earnings of sixteen of the principal roads for the first six months of the year will show the relation between the business of this year and last:

Railroads.	1865.	1866.		Differ'ce.
Atlantic & Great Western (5 mos).....	\$1,759,311	\$2,143,352	Inc.	\$389,041
Chicago & Alton.....	1,790,875	1,795,563	Inc.	4,688
Chicago & Great Eastern.....	482,746	619,871	Inc.	127,125
Chicago & Northwestern.....	3,374,388	3,629,654	Inc.	255,266
Chicago & Rock Island.....	1,565,900	1,390,508	Dec.	175,392
Cleveland & Pittsburgh.....	1,233,673	1,054,689	Dec.	178,984
Erie.....	7,084,108	6,739,582	Dec.	344,526
Illinois Central.....	3,313,086	3,036,805	Dec.	276,281
Marietta & Cincinnati.....	544,455	542,000	Dec.	2,455
Michigan Central.....	2,034,048	1,929,408	Dec.	104,640
Michigan Southern.....	1,534,835	1,642,965	Inc.	108,070
Milwaukee & St. Paul.....	877,462	984,716	Inc.	107,254
Ohio & Mississippi.....	1,679,182	1,654,366	Dec.	24,816
Pittsburgh, Ft. Wayne & Chicago.....	4,244,378	3,607,815	Dec.	636,563
Toledo & Wabash.....	916,268	1,589,057	Inc.	672,789
Western Union.....	293,310	353,330	Inc.	60,020
Total.....	\$32,613,056	\$32,768,733	Inc.	\$155,677

Upon the roads here compared there is an average increase of earnings for the six months of $\frac{1}{2}$ per cent.; and as it may be safely presumed that the expenses of the current year range lower than those of last, it would follow that the profits of the roads for the last six months exceed those of the corresponding period of 1865.

For the purpose of ascertaining the condition of the railroad interest at large, as respects earnings, expenses and dividends, we have compiled the following details from the latest annual reports of thirty-seven of the leading roads of the Eastern, Middle and Western States:

Road.	Miles.	Cost of road.	Earnings.	Expenses.	Profits.	Div.	
Boston & Worcester.....	71	\$4,500,000	\$1,697,164	\$1,160,107	\$537,057	12	
Western	74	11,271,856	8,431,534	2,204,936	1,226,598	12	
Hartford & N. Hav.....	75	2,498,319	1,450,711	1,046,183	404,528	12	
N. York & N. Haven.....	62	5,626,522	1,962,318	1,422,379	540,534	6	
Hudson River.....	144	14,661,857	4,182,600	2,545,307	1,637,293	6	
Harlem.....	132	10,616,088	1,860,420	1,409,730	450,709	—	
N. Y. Central.....	558	33,707,219	12,975,524	11,278,310	2,697,214	6	
Erie.....	557	47,646,351	15,431,775	10,368,264	5,063,511	6	
Buffalo & State Line.....	83	2,734,414	1,945,466	1,176,493	769,089	10	
New Jersey.....	34	4,641,825	1,875,981	1,072,658	803,323	12	
Camden & Amboy.....	26	8,502,296	5,799,980	4,659,192	1,140,788	3	
Central of N. J.....	74	18,123,564	3,036,899	1,748,434	1,288,465	4	
Reading	152	26,046,722	11,142,519	6,330,948	4,811,571	10	
Pennsylvania.....	333	31,809,334	17,459,160	11,270,058	6,189,102	10	
Phil., Wil. & Balt.....	96	9,106,547	3,364,609	2,337,808	1,026,801	5	
Balt. & Ohio.....	287	24,945,093	6,509,945	1,965,848	4,544,097	6	
Washington Branch.....	30	1,650,000	703,123	373,223	329,900	6	
Cleve. & Pittsb'g.....	203½	9,320,163	2,696,377	1,959,533	736,794	6	
Cleveland & Erie	94	4,739,121	2,339,222	1,148,561	1,210,661	3	
P., Ft. W. & Chicago.....	468	26,182,851	8,489,63	5,205,515	3,284,117	10	
Clev., Col. & Cinn.....	191	4,750,000	2,429,343	1,264,126	1,235,163	13	
Little Miami.....	81	4,126,778	2,432,236	1,818,645	614,641	30	
Cin., Ham & Dayton.....	160	5,101,212	1,361,566	822,277	539,289	6	
Dayton & Michigan.....	142	6,106,449	1,511,357	611,423	899,934	—	
Sand., Dayton & Cin.....	206	4,581,895	719,944	581,024	138,920	—	
Evanv. & Crawfor'v.....	122	2,600,599	559,123	312,406	246,717	—	
Terre H. & Indianap.....	73	1,988,150	1,248,726	650,055	598,671	12	
Ohio & Mississippi.....	340	33,423,000	2,759,123	2,742,511	1,016,612	—	
Michigan Central.....	285	12,805,576	4,121,213	2,406,150	1,715,063	10	
Michigan Southern.....	524	16,555,412	4,636,445	2,742,657	1,893,788	5½	
Clev. & Toledo.....	109	7,424,023	1,691,266	855,496	835,770	10	
Tol., Wab. & West.....	242	10,080,918	2,050,322	1,104,830	945,492	5	
Chic. & N. Western.....	679	37,322,791	6,820,750	5,018,478	1,802,272	—	
Chic. & Rock Island.....	182	8,051,122	2,154,246	1,711,455	442,791	10	
Chicago & Alton.....	280	8,306,919	3,841,092	2,006,575	1,834,517	5½	
St. Louis, A. & T. H.....	210	10,700,000	2,240,744	1,752,188	488,556	—	
Illinois Central.....	706	30,529,844	7,181,208	5,006,284	2,174,924	10	
		8,232½	495,899,029	159,194,587	102,497,917	56,696,670	—

This statement shows the cost of these 8,232 miles of first class roads with their appurtenances and rolling stock, to have aggregated \$495,899,029, or at the average rate of \$60,236 per mile. The results of the operations cannot be considered otherwise than as highly satisfactory. The total earnings of these roads is \$159,194,587, or \$19,337 per mile. The expenses aggregate \$102,497,917, or \$12,451 per mile; the proportion of expenses to gross earnings being 64.39 per cent. The profits, or net earnings, reached the large total of \$56,696,670, or \$6,886 per mile.

The question of chief importance to investors in this class of securities concerns the relation between the net earnings and the capital. The legal rate of 7 per cent. upon the capital invested in the roads would yield \$34,712,932. The actual profits, however, amount to \$11,983,733 more than that sum, and average 11.43 per cent. It is necessary, however, here again to call to mind the fact that these figures represent cur-

rency. Were the profits reduced to gold, at its present market price, so as to correspond with the character of the original investment, the ratio of net earnings to the cost of the road would be about $7\frac{1}{2}$ per cent. in specie. This result is most gratifying, and betokens the really substantial value of railroad investments. A government bond yielding 6 per cent. in gold is considered a most valuable investment; but it may be questioned whether roads yielding a profit of $7\frac{1}{2}$ per cent. in gold upon the capital invested will not ere long be deemed even still more desirable.

Nor would it seem reasonable to consider this prosperity as merely temporary. The roads appear to have now reached that condition of completeness of construction and adequacy of traffic which has been long anticipated as the ultimate basis of large and permanent profits. It will be observed that, of the above thirty-seven roads, only seven failed to pay dividends during last year; two paid $3\frac{1}{2}$ per cent.; one, 5 per cent.; two, 6 per cent.; two, 8 per cent.; one, $8\frac{1}{2}$ per cent.; three, 9 per cent.; thirteen, 10 per cent.; two, 12 per cent.; one, 15 per cent.; one, 30 per cent., and two 35 per cent. Considering that, while these liberal dividends have been made, large amounts have also been appropriated from the earnings for construction and equipments, and that the roads are now in such a condition of comparative completeness as to require lighter appropriations for these purposes than in former years, it must be allowed that the roads of the country, exclusive of those of the Southern States, are in a condition justifying the large but long deferred expectations cherished at the time of their projection.

MONEY AND BANKS.

BY J. L. TELLKAMPF, LL.D., P.D.*

Aurum per medios ire satellites
Et perrumpere amat saxa potentius
Ictu fulmineo.

Before treating a subject which has recently been the occasion of much *party* animosity, I would remind the reader that *science* knows no parties, —that it can adopt no opinions of a party, except so far as that party has

* This essay was written several years since and was addressed to Prussian readers, but is on that account none the less interesting to us now, and we publish it, therefore, just as we have received it from the author. Professor J. L. Tellkamp is an economist of high standing, both in Europe and America. Some of our readers are, undoubtedly, acquainted with him personally. It will be remembered that he was in this country about eight years, and at that period contributed many valuable articles to the pages of the *MERCHANTS' MAGAZINE*, occupying at the same time important positions, first in the faculty at Union College, and subsequently filling the Gibbard German Professorship in Columbia College, New York city. He left the latter place very unwillingly, but felt called upon to do so, having been selected by the Prussian Government for an important mission to France and England, and, after that, tendered the Professorship of Political Economy at the University of Breslau, which position he still occupies. For two or more terms, also, he was chosen a mem-

borrowed them from truth,—that *truth*, eternal, unchanging and complete, is its only end and aim. I request him to remember, further, that it is the province of the scientific inquirer to ascertain abstract and general principles, rather than to teach how these principles are to be applied in particular cases, and that in this way he will sometimes reach conclusions for which the country in which he writes may not yet be ripe, and which he would be the last to recommend for immediate adoption. The writer may also add, by way of caution, that he discusses questions only in their *financial* or *economical* aspects, and that many considerations of a political nature,* which the statesman would be required to weigh before deciding on measures, must in this place, for the sake of simplicity, be omitted. He approaches the subject only as an *economist* who, for the time, knows nothing of general politics, who owes allegiance to no party, who would write only as a citizen of the world, and who, far from assuming to have mastered the whole truth, is but a humble inquirer, yet ready as he proceeds to communicate to others the result of his impartial inquiries.

FUNDAMENTAL PRINCIPLES.

What is money? What is currency?

The second of these questions can be understood only by defining the first.

By *money* we mean, first, a common *measure* of values, and, secondly, a *common medium of exchange* as a real equivalent of values, as a power of purchasing;—two functions intimately connected, and yet admitting of separate examination.

Considering money as a

Measure of Value.

we have to enquire what are the essential qualities of a good measure. They are, that it be *invariable*, *easily ascertained*, and susceptible of division into parts. Money is to *value* what standard *weights* and *measures* are to *quantity*. The rights and interests of both buyer and seller, require that the standard bushel, gallon, yard, &c., should be a *fixed and known*

ber of the Second Chamber of Deputies—House of Representatives—and was finally elected and confirmed by the King of Prussia as a member of the First Chamber, which is a life office. The First Chamber is similar to the English House of Lords. His partiality for the Government and Constitution of the United States is well known, as he has frequently in the Prussian Parliament referred to them for precedents when important measures were pending. This same feeling will be seen exhibited in the essay we publish. We state these facts, knowing that they will give pleasure to those of our readers who were formerly acquainted with Professor Falkampf, and will serve to increase the interest of all in what he has written.—Ed
HUNT'S MERCHANTS' MAGAZINE.

* In countries where the acquisition of wealth is the prime object of the the majority of the people, money power is one of the greatest, and most difficult to guard against :

“The age of bargaining hath come,
And noble name and cultured land,
Palace and park and vassal band,
Are powerless to the notes of hand
Of Rothschilds and the Barings.”

quantity, subject to no variations, easily verified, and admitting of convenient subdivisions; so money, which is considered for the present but a common standard measure of value, should possess, as far as possible, the same properties. We say as far as possible, because in the case of money, as of all values, absolute stability is unattainable. What we require, then, is that the measure of values adopted should approximate as nearly as possible to this *idea* of a perfect standard.

In modern times, both metals and paper have been adopted as a *measure* of value, and both have their advantages. The precious metals existing only in limited quantities, and not liable to sudden increase or diminution, inasmuch as they are produced with great labor and are very enduring, have much the advantage in respect of *stability*. As the commercial intercourse of the ancient world was very limited, so much the greater and more sudden were the variations in the value of gold and silver. So, now, the smaller the amount of the precious metals in a country, so much the more easily can great fluctuations in their value be produced by influx from without. The modern world has attained to a far greater degree of *stability* in the relative value of the precious metals through the universality and rapidity of commercial transactions (which produces the *niveau* of values), and through the now immense aggregate of gold and silver in private use or in circulation. However sudden and great the influx of precious metals from newly discovered sources now may be, their values do not suddenly sink, because the increase, in comparison to the great masses in use, is but a small percentage, and hence makes itself felt only in a long series of years. While almost all other productions of human labor are sooner or later consumed, the precious metals are preserved, often under the most curious forms, and can be, at any time, melted up and coined, and thus as coins pass at once into circulation. Hence the precious metals, in whatever form they may be, are to be considered in their aggregate, and their present amount is the aggregate production of all lands and for thousands of years. The constant increase of this aggregate by new supplies has, however, had the natural effect of causing their value slowly to decrease when compared with the common necessities of life, with corn for instance. This decline in the value of gold and silver is so slow as to be hardly perceptible in short periods of time; hence for such periods they may be considered as affording a staple measure of value; and yet if we compare their value at intervals, say of centuries, the decline is strikingly large. Thus taking corn as our standard of comparison and extending our inquiries only to England, France and Germany, we find that the value of gold and silver, during the period between the discovery of the mines of Mexico and Peru and the beginning of the present century decreased from four to sixfold.*

If we now, with Adam Smith, consider corn as measure or standard of value, it follows that, as the medium or average price of that article has in the course of centuries risen, precisely in the same ratio or percentage the price or value of the precious metals has fallen. There is, however, a remarkable difference as to the production of corn and precious metals to be mentioned; viz.: while the most productive mines determine the

* A. v. Humboldt, *Deutsche Vierteljahrsschrift* von 1838, part 4, pages 16-17.

cost of production for the metals and cause the closing of those which are less productive, the least productive cornfields, whose crops are still demanded by a dense and rich population, determine the price of corn, the more productive yielding their owners a comparatively high ground-rent. Consequently in this respect the cases of the metals and corn are exactly reversed; the reason of this being the greater demand for corn as a necessary of life.

From the careful investigations which have been recently made in regard to the amount and relative value of precious metals, at different periods, we find the value of them, as circulating in commerce under the form of money, in Europe and its western colonies, to have been in the year

1492	about	250	millions of Prussian thalers.
1600	"	1250	" " "
1700	"	3250	" " "

The increase was then about one thousand millions of thalers during the sixteenth century, and two thousand during the seventeenth.

The introduction of the process of treating the ores of silver with quicksilver (1580) increased greatly the production of that metal, and towards the close of the sixteenth century there was consequently a rise in the prices of goods and merchandise, corresponding to the increase in the amount of money. Then followed a period of slight increase, lasting until the fall in the price of quicksilver (since 1778) when there was a rise in prices caused by the more systematic and extensive workings of the Spanish silver mines, and a corresponding increase of their productiveness. During that period of slight increase, population, industry, commerce and, of course the demand for the precious metals, had advanced almost in the same ratio, and the value of money had remained almost the same; but with the sudden increase in the productiveness of mines that value immediately fell again. The same facts are repeated in our own time as consequences of the immense discoveries of gold in California and Australia, with the additional circumstance of a great change in the relative worth of gold and silver,—a change likely to be felt still for a long time.

In round numbers the annual production of the precious metals may be estimated as follows:

For the year	1500	at	1,000,000	thalers.
" " "	1550	"	4,000,000	"
" " "	1600	"	14,000,000	"
" " "	1650	"	22,000,000	"
" " "	1700	"	29,000,000	"
" " "	1750	"	46,000,000	"
" " "	1800	"	68,000,000	"

According to Alexander von Humboldt, in the above aggregates the amount of silver is about forty-five times that of the gold, while the value of the latter is but about fourteen or fifteen times that of the former; silver being a much more useful and necessary metal, and therefore in far

greater demand. The production of the two metals as calculated for the year 1800 was about :

gold	20½	millions of thalers,
silver	47½	" "

aggregate of both 68 millions of thalers.

Again, according to Baron Humboldt*, the New World produced at the beginning of this century annually :

17,000	kilogrammes of gold
800,000	" of silver.

The production is estimated to have been for the years—

1842	of gold	43,000,000,	of silver	49,000,000 thalers ;
1848	"	58,000,000,	"	50,000,000 "

Thus the production of gold was in 1848 nearly three times that of 1800 ; while that of silver had increased but a few millions. This inequality of production, vastly increased since the discoveries in California and Australia, as the metals pass from the mints, is felt at once in the money markets.

The annual production for the last few years is calculated (in thalers)† as follows :

	Gold.	Silver.
For the year 1849 at	91,000,000,	52,500,000.
" 1850 "	132,500,000,	53,000,000.
" 1851 "	159,500,000,	54,000,000.
" 1852 "	250,000,000,	55,000,000.
" 1853 "	266,000,000,	56,500,000.

Or as Mr. Soetheer of Hamburg estimates it : ‡

	Gold.	Silver.
For the year 1848 at	47,700,000,	45,000,000.
" 1849 "	55,500,000,	46,000,000.
" 1850 "	119,900,000,	58,600,000.
" 1851 "	143,400,000,	61,600,000.

These estimates, it is true, are but approximations to the truth, but they are sufficient to prove the vast augmentation of late years in the production of gold, and the great change in the relative value of that metal and silver. This ratio, formerly 16 to 1, and in North America, since 1792, 15 to 1, was reduced by Act of Congress, July, 1853, to 14.45 to 1. In consequence of this reduction, the standard value of American silver coinage has been lowered to the amount of seven per cent. This has led to the importation of a vast amount of silver in the form of French five franc pieces, which is reissued in the form of American coins, giving the government, after deducting all the costs of transportation, insurance and

* *Essai Politique sur le Royaume de la Nouvelle Espagne*. T. IV. page 218.

† Andre Cochut in the *Revue des deux Mondes*,—"On the Gold mines of Australia." *Deutsche Vierteljahrschrift*. 1856. Nr 74, page 151. *Minerva* July, 1854. Vid. also J. D. Whitney. Ir. "On the Mineral Resources of the United States, &c."

‡ *Die Banken*, by Otto Hubner. Page 47.

coinage, a clear profit of 4 per cent. This exportation of silver from France has already so reduced the supply of five franc pieces in silver as to bring into circulation a new gold coin of the same value in which the value of the gold is fixed at $15\frac{1}{2}$ times that of silver. The Bank of France makes its payments mostly in gold, and so gradually this metal has become the measure of value in France, as heretofore in England and the United States of America. Compared with this standard, the prices of the necessities and luxuries of life are found to be rising slowly, as the amount of gold coins in circulation increases.

There is no certainty that the present ratio of gold to silver will long continue, especially if the rich productiveness of the gold mines of California and Australia does not fall off.

Even now, the payment in gold of debts formerly incurred in francs or dollars, that is under the old standard of silver, is a source of gain to the debtor—and of consequent loss to the creditor—of from 3 to 4 per centum; a change of value likely to increase.

All, consequently, are losers who made investments of their property before the recent influx of gold; for instance, capitalists interested in English life insurance companies or such as formerly invested in France and North America, making their payments according to the standard of the silver, and now receiving their returns according to that of the gold dollar. Such only as may by chance obtain their returns in silver can escape this loss. But silver, no more than gold, can retain its old value when measured by the standard of other articles.

Finally we must note the fact that the great mass of paper money, in the form of bank notes and so forth, tends to depress the value of the precious metals, by circulating in their stead,—by being used in payment, where else the metals would of necessity be used,—and thus consequently lessening the demand for them.

It follows from this course of reasoning that there must ever be some fluctuations in the value of the precious metals. Their market values depend, like those of all other articles, upon the ratio between the demand and supply. Where they exist in quantities greater than is immediately needed either for currency or manufacturing purposes, they must decline in price, but as this decline causes them to be transferred almost immediately to other places where they are in greater demand, the depression is slight. The principal fluctuation is one which affects the whole world and results in part from the relative quantities mined in different periods and centuries,—in part from the variations in commerce and industry leading to a corresponding variation in the amounts needed for purposes of trade,—and in part from the different proportion of those metals which is worked up in the useful and ornamental arts. Thus the prices of gold and silver have gradually declined since the discovery of the American mines;* within a few years they had, on the other hand, increased on the continent of Europe, in consequence of the wear and tear, and the greater

* See A. Von Humboldt, *Essai politique sur le Royaume de la Nouvelle Espagne*, T. IV. page 218, and A. Von Humboldt, 'Ueber die Schwankungen der Goldproduction, mit Rücksicht auf staatswirtschaftliche Probleme.' (In the *Deutsche Vierteljahrs-Schrift* of 1838, part 4, pages 15-17.)

demand for plate, jewelry, &c.; while, at the present time, their prices have slightly again declined since the discovery of the gold mines in California and Australia. It will be seen, then, that the precious metals are by no means an invariable standard of value. Yet their natural scarcity, and the small increase in comparison with the existing amount of gold and silver, and the great amount of labor which has to be expended in their production, renders all fluctuations in their value extremely slow and gradual and thus fits them pre-eminently for a *measure*. Governments have by *coining* provided an accurate designation of their value as well as convenient subdivisions.

A bill of exchange or a check has, in case of large values, this advantage over metal and bank-notes, that it is much more safe. A single *check* or *draft* is sufficient to exchange any value, however large, and, when being payable only to order, it can be carried any distance, or be transmitted by mail, or even be lost, and yet the owner suffers no injury; but it has the inconvenience that he who pays and endorses it is responsible for its value.

Bank-notes, on the other hand, are liable to such sudden and great fluctuation, according as those who emit them find it for their interest to expand or contract their issues, that the public have no safety except in such paper as is based on an equal value of the metals. In such case they are but a substitute for them, and convertible into them at pleasure. Such vast evils have resulted in America from irredeemable paper money that *American laws have made specie or metallic coins the only lawful tender in payment of debts*. The importance of this will be more fully seen when we come to consider money in regard to its second function as

A Medium of Exchange.

It is evident that there can be no division of employments, and of course no high civilization, unless men can exchange with each other the surplus products of their labor. It is also evident that *barter* is a very inconvenient mode of exchange, since it by no means follows that we always want the surplus produce of him who may want our surplus produce. Hence in every civilized country the need of something which can be exchanged at pleasure for any and every purchaseable object; a general medium through which each producer may deal with any other producer, near or remote; a sort of universal language which, by establishing a ready communication between all classes of employments, shall incite each to new activity and a larger production of exchangeable value. No nation can subsist without such a medium—even the Krees Indians, according to Capt. Franklin, use beaver skins as their medium—and in proportion as a nation advances in industry and civilization, in the same proportion will it seek a more perfect instrument of exchange, because with each step of its progress it feels more and more the importance of facility of exchange.

Now why is it that all nations, whether ancient or modern, have, as they have risen to the civilized state, invariably adopted as their medium the precious metals? Was it done by a general agreement, or by ascribing to these metals an imaginary worth? No; but from the conviction that they possessed a real value: the result of labor, usefulness, and scarcity, and which made them proper equivalents of the objects for which they were exchanged. Let it not be supposed, because an exchanging

medium is indispensable, and because things of no intrinsic value, such as pieces of paper, would serve as well as metal to represent the properties exchanged, that therefore the former may be substituted for the latter. Wherever this has been attempted, as in the assignats of France and the continental paper money of America, experience has shown that the currency depreciates and at last becomes almost worthless. The reason is plain. The farmer or mechanic who parts with his articles for money which he may have to retain in his possession for some days or weeks, needs assurance that his money has an intrinsic or unchanging value. This assurance he cannot have unless the substance itself have such value, or is certainly and easily convertible into one which has. Hence the use of grain, oxen, &c., as an exchanging medium, has been found objectionable on account of the difficulty of verifying their quality as well as quantity, and yet more on account of the fluctuations in value to which they are always liable. In the case of a medium having neither intrinsic value nor convertibility, the holder will always insist upon a premium for the risk which he incurs in taking it; this risk must increase as the bill is older, and thus there will be a decline in its value.*

We have insisted, above, upon the great necessity of employing as a *measure* money which does not vary greatly in value. This is not less important when we consider money as an *exchanging medium*. It is by means of exchanges that those who are employed in production distribute among themselves their respective shares of the produced value; but this cannot be done on just and equal terms if we use a medium which has varied materially in value between the time that a contract was made and that in which it is to be fulfilled. If a man who contracts to pay or receive £100 six months hence is uncertain whether that sum may not increase or diminish in value by one fourth or one-tenth before this period elapses, all business becomes unsafe, and will either be avoided or be prosecuted in the spirit of gambling. When engagements are made for a still longer period, as in the purchase of real estate, the evils are still greater. Nor are they confined to men in active life; men retired from business, widows, orphans, &c., who live on the income of their estates, even incumbents of office who live on fixed salaries, and salaries which, with the saving spirit characteristic of most governments, will be even in times of common prices only sufficient for a decent subsistence, all these may, by a sudden and artificial inflation of the currency and of prices, be reduced to comparative indigence. Hence we see the importance of infusing a large proportion of coin into the exchanging medium or currency employed by any people.

On this point, however, let us beware of two errors. The one is that all exchanges can under any circumstances be made by means of gold and silver exclusively. Where very large sums are in question, such as are daily needed in the great bargains made on the exchange, bills and checks have long been substituted for the cumbrous loads of coin which could be counted and transferred only by the agency of a vast multitude of hands and with much loss of time. Here promises to pay or checks come in as

* Checks and bills of London have often a premium value, because of their convenience as a medium. Capability of being used as a medium will add to the value of a thing.

a labor-saving machine, and to advocate their discontinuance would be as unwise as to recommend the substitution of the old-fashioned spinning-wheel and hand-loom in place of the self-acting mule which enables one woman to do the work of eight hundred. Even in what are called hard money countries only a small proportion of exchanges,—such as those for necessities of life, wages, &c.,—are made by means of coin.

On the other hand, we are not to infer, because the precious metals have hitherto formed so small a share of the whole circulating medium of some countries, that therefore specie would be entirely inadequate for the purpose. Were all engagements now pending cancelled or discharged, and had not the habits of some people become adjusted through a long course of years to an expanded currency,—in other words, were all the operations of business about to commence anew and were gold and silver to form our only medium of exchange, it is evident that prices would at once adjust themselves to the quantity of coin. The price of an article, which is but another name for its value estimated in the current medium of exchange, may as well be expressed by *one* as *five*. If *one* dollar of an unmixed specie currency will command as many necessities and luxuries as could have been commanded by *five* dollars of a mixed medium, it is evident that in itself it is just as useful. It is incorrect, therefore, to say as is often done, that there is not enough metallic money on earth to measure and exchange the values which are employed in trade. The only effect of employing such a medium exclusively would be to advance its value greatly and thus enable a given amount of it to effect a much greater number of exchanges. It should also be remembered that in any case but a part of the exchanges over the world *are* consummated by means of money of any kind. The surplus produce of different countries is exchanged by means of bills which circulate over the whole globe and supersede the use of gold and silver, except so far as considerable balances may remain, while in the internal exchanges of every country, the use of money in the form of coin is to a great extent superseded by bills, drafts and checks.*

Let me add here that in the term exchanging or circulating medium we do not include the bills, drafts, &c., above-mentioned. Only such paper as has been issued with the sanction of government, and purports to be payable in specie on demand, fulfils the definition of money,—such are bank-notes.

We are now prepared to consider the proper function of bank-notes and paper money, which are but one branch of the great system of credit which distinguishes and, as implying mutual fidelity and honor, signalizes modern industry and commerce.

PAPER MONEY AND BANK-NOTES.

What is paper money? What are its uses, and what the evils to which it is liable?

Paper money is a promise given by authority of the government to pay a certain sum in metallic money, that thus all debts may be legally paid by means of it. Its value, therefore, depends upon its *convertibility*, i.e.

* See "The System of the London Bankers' Clearances," by W. Tate.

upon the power which the holder has of replacing it at pleasure by an equal amount of gold or silver. Without this it would not be taken with confidence, and could not, therefore, long maintain its par value. It is evident that this money may be issued by the government, by incorporated companies, or by individuals. Government paper issued as the ordinary currency and without great caution usually proves to be a bubble. There has rarely been an instance in which it has been redeemed punctually and to its full nominal amount. Witness the issues of this sort made by the American Colonies before the War of Independence. The continental money put forth during that war, the assignats of France issued during the Revolution, and the currency of Russia and Austria almost always depreciated.

In former times governments defrauded their people, or taxed them in disguise by debasing the current coin. In modern times the same object is often effected by an issue of government paper. If it be asked why the government may not pledge a certain amount of capital for the redemption of its paper and keep its pledge, there are two answers: 1st. The duty of payment frequently devolves upon an administration different from that which contracted the obligation, and in that case there is but a feeble sense of responsibility. This is especially the case under a government where economy is popular, taxation unpopular, and where the incumbent of office and, perhaps, a candidate prefers tarnishing the public credit to the right and honorable but unpopular alternative of imposing a tax. 2d. Another reason is, that this capital thus pledged must be managed, and a vast deal of skill and economy is requisite in managing a redeemable paper currency; and, of all managers, the agents of a government are the least thrifty and economical. Moreover, the government is very apt to ruin the credit of its own paper by excessive issues in times of emergency, and when the loss of credit is most disastrous. We conclude, therefore, that a government ought not to trust itself to be a banker or to issue paper money.

Is money the only *medium* of exchange? Only for the smaller exchanges.

Why is it required for such? Because, being made by those not in business, they require a medium which will command universal confidence.

What is such a medium? Gold and silver or their representatives, or paper convertible at sight.

Why use the representative (the bank-notes)? Because, 1st, it is convenient,—2d, saves interest on the coin which it replaces; this is the case with all paper.

What dangers are to be guarded against? 1st, excessive issues or loans. 2d, sudden contractions or expansions. 3d, insecurity.

(To be continued.)

TRADE WITH BRITISH AMERICA.

PREPARED BY MR. JAMES W. TAYLOR, SPECIAL AGENT OF THE TREASURY DEPARTMENT.

The records of the Treasury Department for the year ending June 30, 1865, show that our trade with British America is only second in magnitude to that with Great Britain. Its aggregate was \$69,150,613, while

the commerce with Great Britain was \$225,709,263. The external trade of the United States for 1865 consisted of \$339,768,220 exports and \$234,434,167 imports—an aggregate of \$574,202,387. The statement in detail is as follows :

Statement in detail.

Countries.	Exports to.	Imports from.	Total.
England, Ireland, and Scotland.....	\$140,376,771	\$85,832,482	\$225,709,263
British North America	81,842,145	37,808,468	69,150,613
Spanish West Indies.....	28,969,455	34,258,867	58,227,822
Hamburg.....	9,590,464	4,199,111	18,789,575
Bremen.....	18,900,970	5,368,408	19,269,378
France....	15,474,193	5,688,662	22,162,855
Mexico.....	18,205,906	7,358,521	25,564,427
Brazil.....	6,629,182	9,849,859	16,478,541
China.....	7,105,435	5,130,648	12,236,078
All other countries.....	72,673,689	38,940,146	111,613,835
Total.....	339,768,220	234,434,167	574,202,387

Another statement furnished by the Register of the Treasury Department shows that the tonnage of vessels clearing from American ports during the year ending June 30, 1865, for ports of British America was 3,537,752 tons, and the entrances from British America were 3,193,193 tons—the total of 6,730,945 tons ; exceeding the tonnage of vessels employed in trade with any other country. This detailed statement is also annexed :

Countries.	Vessels cleared for. Tons.	Vessels entered from. Tons.	Total. Tons.
Canada.....	2,447,045	2,382,886	4,829,931
British Provinces, east.....	908,023	746,682	1,649,705
British Columbia.	187,684	118,625	251,809
	3,537,752	3,193,193	6,730,945
England, Ireland and Scotland.....	869,759	965,181	1,834,940
Spanish West Indies.....	554,170	624,813	1,178,983
New Granada.....	216,628	205,124	421,752
British West Indies.....	185,689	129,480	265,069
France.....	75,912	68,954	144,866
China.....	75,477	39,644	115,121
Other countries.....	1,154,920	934,289	2,089,209
Total....	6,620,257	6,160,628	12,780,885

Of the clearances for British America, 1,750,548 tons were of American vessels, and 1,787,204 tons were of Canadian and other foreign vessels. Of the entrances from British America, 1,689,829 tons were American, and 1,503,364 were Canadian and other foreign.

Before proceeding to a separate statement of Canadian trade for the years 1854 and 1864-'65, a general review of the commerce of the United States with the British Provinces of North America from the 1st day of July, 1851, to the 30th day of June, 1865, is presented. This period will represent the condition of the trade for three years prior to the late reciprocity treaty, one year passed in exchanging the legislation required by the treaty, (1865,) and ten years of its practical operation. The statement is prepared in the Register's office of the Treasury Department; and while

the values of imports are returned in gold, no such practice exists in regard to statements of exports, and, in all probability, during the years 1853, 1854, and 1855 the currency values of most of the exchanges, especially of articles admitted free of duty, have been adopted in the statistical returns. The annexed table until 1861 was a customary appendix of the finance report, and is now brought down to the close of the last fiscal year for the purpose of exhibiting the progress and volume of trade with the provinces.

Statement exhibiting exports to and imports from Canada and other British possessions in North America, from July 1, 1851, to June 30, 1865.

Year ending June 30.	EXPORTS.			Imports.	Total trade
	Foreign.	Domestic.	Total.		
1852.....	\$8,858,919	\$6,655,097	\$10,509,016	\$6,110,299	\$16,619,215
1853.....	5,786,555	7,404,087	13,140,642	7,550,718	20,691,360
1854.....	9,862,716	15,204,144	24,566,860	8,927,560	33,494,420
1855....	11,999,878	15,806,642	27,806,020	15,136,734	42,942,754
1856.....	6,814,652	22,714,697	29,029,340	21,810,421	50,839,761
1857.....	4,826,869	19,986,113	24,262,482	22,124,296	46,386,778
1858.....	4,012,768	19,688,959	23,651,727	15,806,519	39,458,246
1859.....	6,884,547	21,769,627	28,154,174	19,727,551	47,881,725
1860.....	4,088,899	19,667,429	22,706,328	23,851,381	46,557,709
1861.....	3,861,898	18,888,715	22,745,613	23,062,933	45,808,546
1862....	2,061,482	18,652,012	20,713,444	19,299,995	40,013,439
1863.....	2,651,920	28,629,110	31,281,030	24,021,264	55,302,294
1864.....	2,419,926	26,567,221	28,987,147	38,922,015	67,909,162
1865.....	1,809,862	30,082,283	31,842,145	37,808,468	69,150,613

Most of this trade was with Canada and the maritime provinces of Nova Scotia, New Brunswick, Prince Edward's Island, and Newfoundland. Recently, however, a considerable commerce has been developed between Minnesota and the territory of the Hudson Bay Company, and between the Pacific States and the English colonies of British Columbia and Vancouver's island. The trade with the Pacific provinces during 1864-65 consisted of \$1,349,463 exports and \$1,131,491 imports, amounting to \$2,480,954, which the Minnesota trade with Central British America will increase to \$3,000,000 annually. It will be safe to deduct this amount annually since 1860 from the aggregates of the foregoing table, on account of the western provinces; while from 1852 to 1860 the average commerce with British America west did not probably exceed \$500,000 annually.

THE CANADIAN TRADE.

As the House resolution calls for a separate statement of the trade of the United States with Canada, the following table has been prepared to express the aggregates of exports and imports from 1852 to 1865. Until 1864 the Canadian fiscal year was identical with the calendar year, while the accounts at the treasury of the United States close on 30th June.

Statement exhibiting exports to and imports from Canada, from July 1, 1851, to June 30, 1865. (From American reports.)

Year ending June 30.	EXPORTS.			Imports.	Total trade
	Foreign.	Domestic.	Total.		
1852.....	\$2,712,097	\$4,004,968	\$6,717,060	\$4,589,969	\$11,307,029
1853.....	3,828,587	4,005,512	7,829,099	5,278,116	13,107,215
1854.....	6,790,888	10,510,873	17,300,706	6,721,539	24,022,245

1855.....	8,769,580	9,950,764	18,720,344	12,182,814	30,902,658
1856.....	5,688,453	15,194,783	20,883,241	17,488,197	38,371,438
1857.....	3,550,187	13,024,708	16,574,865	18,291,884	34,866,729
1858.....	3,365,789	13,663,465	17,029,254	11,581,571	28,610,825
1859.....	5,501,125	13,489,667	18,940,792	14,208,717	33,149,509
1860.....	2,918,524	11,164,590	14,083,114	18,861,673	32,944,787
1861.....	3,740,049	11,749,981	15,490,030	18,645,457	34,135,487
1862.....	1,560,397	11,282,107	12,842,504	15,253,152	28,095,656
1863.....	1,468,113	18,430,605	19,898,718	18,813,840	38,712,558
1864.....	1,301,563	15,356,866	16,658,429	30,974,118	47,632,547
1865.....	905,968	18,306,499	19,212,467	30,547,267	49,759,734

A statement compiled from Canadian records, commencing with a half year of 1851, to make the period identical with that covered by the foregoing table, is also annexed.

Statement showing the whole trade in imports and exports between Canada and the United States during fourteen years.

Years.	Imports from the U. S. into Canada.	Exports from Canada to the United States.	Total trade.
1851, (half year).....	\$4,162,882	\$2,035,775	\$6,218,654
1852.....	8,477,693	6,284,520	14,762,213
1853.....	11,782,144	8,936,380	20,718,524
1854.....	15,538,096	8,649,000	24,182,096
1855.....	20,528,676	16,737,276	37,565,952
1856.....	22,704,508	17,979,752	40,684,260
1857.....	20,224,648	13,206,436	33,431,084
1858.....	15,635,565	11,930,094	27,565,659
1859.....	17,592,916	13,922,314	31,515,230
1860.....	17,273,157	18,427,968	35,700,997
1861.....	21,069,883	14,386,427	35,455,815
1862.....	25,173,157	15,068,730	40,286,887
1863.....	23,109,362	20,050,432	43,139,794
1864, (half year).....	10,426,572	7,722,397	18,148,769
1864-'65.....	19,589,055	22,939,691	42,528,746

In addition to the annual statements of exports and imports, representing the trade between the United States and Canada, the following table has been prepared from Canadian reports. It is a statement of American and Canadian tonnage, inward and outward, to and from Canadian ports, exclusive of ferriage, between United States and Canada.

Statement of American and Canadian tonnage, outward and inward, to and from Canadian ports, exclusive of ferriage, between the United States and Canada.

	AMERICAN		CANADIAN	
	In.	Out.	In.	Out.
1854.....	1,284,523	1,246,051	2,279,529	1,519,513
1859.....	2,409,168	2,273,226	1,222,454	1,131,482
1861.....	1,629,153	1,468,084	1,412,076	1,343,262
1862.....	2,306,883	2,161,347	1,793,303	1,790,824
1863.....	1,857,974	1,739,569	1,680,727	1,628,863
1864, (half year).....	780,199	753,638	795,837	769,710
1864-'65.....	2,119,125	2,070,028	2,080,771	1,995,712

The years designated in the resolution, 1854 and 1864-'65, are not favorable for a comparative statement of the Canadian trade. The year first named witnessed an unusual excitement of markets, which resulted from the application of a large amount of English capital to the construc-

tion of the Great Western and Grand Trunk railroads; the total imports of Canada in 1854 reaching \$40,528,324, while the exports were only \$23,019,188. The purchases of contractors were largely made in the United States, swelling our exports to Canada from \$7,829,099 in 1853 to \$17,300,706 in 1854. These disbursements on account of railway construction, and the speculative spirit excited by them, concurred with the first operation of the reciprocity treaty, to increase our exports beyond the imports from Canada during 1855 and 1856; then followed the revolution of 1857, which bore heavily upon Canadian trade, while since 1860 and during the late war, our great domestic exigencies have not only prevented foreign and manufactured goods from leaving the country, but have materially added to the American demand for Canadian products. The American reports show a movement from Canada to the United States, since July 1, 1863, exceeding that from United States to Canada by nearly \$25,000,000 a balance which has probably been invested in United States bonds, of which \$50,000,000 are estimated to be held in Canada. It will thus be seen that the battle-year of 1864-'60, when all our energies and supplies, with whatever could be drawn from our neighbors, were absorbed by great military campaigns, is even more unfavorable than 1834 to represent a normal condition of commerce. They were probably indicated, because the earlier date marks a course of trade prior to the reciprocity treaty, and the fiscal year closing June 30, 1865, was the last annual statement which was accessible at the date of the resolution. With these explanations the following tables are presented:

Comparative statement of exports, in values, from Canada to the United States, for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

THE MINE.					
Articles.	1854.	1864-'65	Articles.	1854.	1864-'65
Copper		\$1,511	Stone		10,042
Copper ore.....	87,148	51,746	Mineral (or earth) oil ..	31,460	7,359
Iron ore.....		27,222			
Pig and scrap iron.....	159,532	40,762	Total produce of mine.	278,250	168,549
THE FISHERIES.					
Articles.	1854.	1864-'65	Articles.	1854.	1864-'65
Dried and smoked	146	810	Furs or skins the prod-		
Pickled.....	72,988	53,027	uce of fish or creatures		
Fresh	11,297	28,468	living in the sea		7,452
Oil.....	1,041				
			Total produce of fish'ries	55,472	89,257
ANIMALS AND THEIR PRODUCE.					
Horses	\$202,416	\$1,812,384	Furs, dressed.....	\$53,464	\$3,231
Horned cattle.....	174,016	1,781,995	Furs, undressed...		
Swine	7,117	618,988	Hides.....	21,909	127,453
Sheep.....	26,041	253,044	Horns and hoofs..	1,568	2,559
Poultry	4,409	17,509	Honey.....		91
Produce of animals:			Lard.....	1,835	20,979
Bacon and hams.	160	44,433	Pork.....	27,752	425,461
Beef	5,858	13,996	Sheep's pelts		77,374
Beeswax	5	311	Tallow.....	861	657
Bones.....	235	1,593	Tongues		
Butter.....	117,040	340,699	Venison		501
Cheese.....	560	5,277	Wool	30,243	1,351,722
Eggs.....	22,925	95,660			
Feathers	12	45	Total animals and		
			their products...	697,926	7,052,079

THE FOREST.

Articles.	1854.	1864-'65	Articles.	1854.	1864-'65
Ashes—Pot	\$91,434	227,102	Scantling	\$34,448	\$14,825
Pearl	16,924	23,105	Deals	6,916	499
Timber—			Deal ends .....	.....	.....
Ash. ....	.....	3,038	Plank and boards.	1,579,820	3,292,451
Birch	149	425	Spars	20,517	1,910
Elm	282	3,753	Masts	100	1,140
Maple .....	.....	29	Handspikes .....	.....	.....
Oak	24,520	171,880	Lath and lathwood	12,885	15,834
White pine	96,780	225,864	Firewood	46,202	364,249
Red pine.	4,564	1,048	Shingles	20,641	44,010
Tamarac .....	.....	28,470	Saw logs	58,489	147,721
Walnut	9,482	5,281	Sleepers	1,172	.....
Basewood, butternut,			Treenails .....	.....	.....
and hickory	6,198	17,423	Railroad ties	18,809	26,913
Standard staves	1,525	75,573	Osas .....	.....	.....
Other staves	8,761	80,544	Other woods	26,926	223,100
Knees	795	13,060			
Battens .....	.....	.....	Total prod. of forest	2,083,544	5,008,746

AGRICULTURAL PRODUCTS.

Balsam	\$440	\$2,836	Indian corn	\$18,496	\$59,329
Barley and rye	94,185	2,879,870	Malt	75	1,000
Barley, pot and pearl	.....	.....	Maple sugar	468	476
Beans	569	68,534	Meal	4,568	85,467
Bran	5,045	88,089	Oats	16,506	1,561,083
Flax .....	.....	87,435	Other seeds	54,384	37,047
Flax-seeds	448	13,796	Pens	58,604	198,971
Flour	3,370,819	1,916,255	Tobacco .....	.....	29,702
Fruit, green	2,792	6,231	Vegetables	8,232	11,615
Hay	80	4,258	Wheat	1,670,682	1,227,368
Hemp .....	.....	.....	
Hops	83,481	22,625	Total agricult'l prod.	5,329,324	8,246,987

MANUFACTURERS.

Books .....	.....	\$2,019	Rags	9,772	64,524
Biscuit	\$450	.....	Soap .....	.....	212
Candles .....	.....	.....	Straw	12,464	2,675
Carriages .....	.....	31,122	Sugar boxes .....	.....	56,422
Cottons	952	1,770	Tobacco .....	.....	66,957
Furs .....	.....	100	ool.	65,610	87,645
Glass	86	608	Woolens	246	8,494
Ground plaster and			Liquors :		
lime	8,048	2,806	Ale, beer, cider ..	1,187	699
Hardware	13,938	115,079	Whisky	4,988	5,250
Indian bark work ..	15,546	.....	Other spirits	4,736	10,473
India rubber	100	21	Vinegar	434	18
Leather	2,108	22,608			
Linen .....	.....	2,916	Total manufactures.	141,145	469,172
Machinery .....	.....	31,501			
Musical instruments	.....	4,122	Coin and bullion ..	.....	1,599,341
Oil cake	530	864	Other articles	33,381	304,460

RECAPITULATION.

	1854.	1864-'65.		1854.	1864-'65.
Prod. of the mine ..	\$279,260	\$168,649	Manufactures	\$141,145	\$469,172
Prod. of the fisheries	85,472	89,957	Coin and bullion ..	.....	1,599,341
Prod. of the forest ..	2,083,544	5,008,746	Other articles	33,381	304,460
Animals and their					
products	697,926	7,053,074			
Agricultural prod'ts	5,329,324	8,246,987			
				8,649,000	22,989,691

Comparative statement of values of leading articles imported into Canada from the United States for the years ending December 31, 1854, and June 30, 1865. (From Canadian records.)

Articles.	1854.	1864-'65.	Articles.	1854.	1864-'65.
Coffee.....	\$151,386	\$70,882	Iron (including rail-road bars).....	\$438,344	\$70,449
Cigars	47,284	8,056	Printing presses, &c	66,380	21,357
Tobacco and snuff..	422,196	15,161	Tallow.....	304,636	75,551
Tea	1,585,464	177,787	Books.....	348,884	219,772
Sugar and conf'nary	489,732	781,720	Indian corn.....	710,940	791,253
Spirits, wine, and cordials.....	391,916	5,227	Salt.....	172,364	195,563
Molasses	182,212	272,385	Seeds	98,384	102,144
Fruit, dried & green	120,120	460,077	Settlers' goods.....	298,500	507,550
Fish, fresh and salted	74,848	202,620	Trees and shrubs ..	53,544	65,013
Lumber or planks..	62,812	167	Wheat	138,912	2,879,625
Clocks and watches.	86,840	19,654	Cabinetware or furniture.....	.....	39,163
Cotton manufactures	684,588	89,069	Carriages.....	.....	46,053
Drugs & medicines.	225,636	37,681	Machinery not otherwise specified...	550,356	123,062
Fancy goods and millinery	116,368	71,439	Small wares.....	71,944	100,406
Glassware	103,504	113,983	Horses	57,352	115,334
Hats and caps.....	212,509	94,312	Horned cattle.....	10,340	77,846
India rubber	81,916	14,049	Bark for dyeing, &c.	2,372	58,766
Iron and hardware.	1,353,408	452,489	Broom corn.....	15,924	42,629
Leather, manufactured and other..	799,728	75,562	Butter.....	1,092	47,512
Musical instruments	131,208	122,319	Cheese.....	33,404	306,613
Oil.....	135,764	32,999	Cotton-wool	24,920	62,736
Paper.....	87,680	9,259	Flour.....	17,540	690,124
Silk	116,892	13,086	Barley and rye....	1,960	79,017
Straw goods	82,900	.....	Oats.....	11,164	107,723
Wool, manufactured	379,652	63,936	Lard.....	35,520	86,403
Woolens	579,740	115,906	Stones, unwrought.	8,428	49,253
Meat pork*.....	510,504	876,968	Timber and lumber, unmanufactured..	2,176	139,654
Rice.....	46,892	6,106	Tobacco, unmanuf'd	67,108	277,077
Coals.....	220,380	544,511	Wool .....	.....	174,070
Cordage.....	76,748	14,467	Other articles	2,109,688	1,590,445
Cotton yarn & warp	72,686	17,205	Coin and bullion...	.....	4,763,473
Flax, hemp, and tow	104,940	120,897			
Hides	253,068	535,351			
Total.....				15,533,097	19,569,055

The Canadian returns have been chosen as the basis of the foregoing statements, since the officers of the Canadian customs are understood to estimate values exclusively in gold.

Of the total trade in 1854, amounting to \$69,303,312, a valuation of \$24,182,096, or 34 per cent., was with the United States. In 1864-'65 the aggregate was \$86,801,620, of which \$42,528,746, or 48 per cent., was with the United States.

The articles exclusively exported from Canada to the United States were, in 1854, pig and scrap iron, fresh fish, scantling, railroad ties, horses, horned cattle, swine, sheep, poultry, hides, eggs, hops, malt, hay, flaxseed, manufactures of India rubber, straw hats, and Indian bark work; but in 1864-'65 the list was greatly reduced, consisting of pig and scrap iron, firewood, railroad ties, saw-logs, sheep pelts, venison balsam, cotton manu-

* The later reports only mention "meats, fresh, smoked, and salt," amounting to \$275,000 in 1864-'65.

factures, ground plaster, and sugar boxes. The values of these articles will be found in the first of the foregoing tables.

In a review of the comparative statement of Canadian exports, we first notice that the products of the mine and sea were nearly the same in 1854 as in 1865, while the lumber trade has advanced from \$2,088,544 to \$5,008,746, a large increase, but not more than the constant and increasing demand of American markets would have caused in any event. Since the abrogation of the reciprocity treaty, American purchasers are paying higher rates for Canadian timber, and in larger quantities than in 1865, notwithstanding the necessity of paying a duty of 20 per cent. on the frontier of the United States.

It is in the division of "animals and produce" that the most remarkable contrast appears between the trade of 1865 and ten years ago. Then the valuation of this class of exports was only \$697,926; now it is \$7,053,079. The supply of Canadian horses during the war was as follows:

	Number.	Value.		Number.	Value.
1861.....	8,198	667,815	1864 (half year).....	6,418	508,487
1862.....	8,606	664,795	1864-'65.....	23,106	1,812,334
1863.....	19,335	1,465,540			

The exportation of cattle and swine was no less remarkable—15,704 cattle, valued at \$384,599 in 1861, and 59,568, valued at \$1,781,965 in 1864-'65, while of swine the export to the United States in 1861 was 27,091, valued at \$161,279, and in 1864-'65, 46,305, valued at \$613,993. The movement of wool and sheep, having, perhaps, less connection with the commissary of an army, is still worthy of observation from the relation to manufacturing industry. The exportation of sheep to the United States was as follows:

	Number.	Value.		Number.	Value.
1861.....	54,541	149,220	1864 (half year).....	10,816	48,826
1862.....	88,141	217,724	1864-'65.....	69,931	258,044
1863.....	72,208	198,651			

The exchanges of wool during the same period in value were:

	To Canada.	To U. States		To Canada.	To U. States
1861.....	197,895	424,980	1864. (half year) ...	118,320	892,373
1862.....	338,570	724,815	1864-'65.....	174,071	1,853,168
1863.....	208,853	974,153			
Total.....				1,032,714	3,869,489

It appears from the Canadian trade returns that during the half year closing December 31, 1865, 15,000 horses, 103,810 horned cattle, (swine not stated in the newspaper report at hand,) and 158,000 sheep were exported to the United States; the total value of this class of exports being \$7,923,355. A Canadian newspaper, the *Globe* of Toronto, adds that "the cattle are wanted not only for beef, but for the manufacture of butter and cheese, now fast becoming leading articles of export to England."

At the annual meeting of wool manufacturers held at Philadelphia, September 6, 1865, Mr. J. L. Hayes, secretary of the association, remarked as follows of the trade in sheep and wool with Canada:

"The wool known in our markets as Canada wool consists wholly of fleeces from the long wooled Leicester and Cotswold sheep, and crosses of

these breeds with the Southdown, recently introduced from England. Mr. Stone, of Guelph, Canada West, has taken the lead in the introduction of these sheep. The flocks in Canada are small, averaging from twenty to fifty head. It has been estimated that 6,000,000 pounds of long wool will be grown in 1865, with a consumption in the United States of 5,500,000 pounds. The success of the Lowell Manufacturing Company in fabricating alpaca goods from Canada lustre wools has demonstrated that the wool does not deteriorate on this continent. The Canada wool has been found equal to the best English lustre wool, imported expressly for comparison. The free wool of Canada has been an inestimable boon to our worsted manufacturers. It does not compete with the production of our farmers, as we grow hardly more than 200,000 pounds of long wool, while Canada consumes 300,000 pounds annually of our clothing wool. It is not possible that our own production of long wool will keep up with the demand."

The wool here described is now subject to a duty of twelve cents per pound and ten per cent. *ad valorem*, its value being seldom below thirty-two cents; and sheep, as well as other animals, are charged with duty at the rate of twenty per cent. *ad valorem*. It is too soon to determine how this taxation will affect the course of trade.

Proceeding to the consideration of "agricultural products" exported from Canada to the United States, we first notice "barley and rye," of which a valuation of \$94,185 in 1854 had become \$2,879,870 in 1864-'65. This large sum was mostly paid for Canadian barley, which is described, in a recent memorial of brewers to Congress, as of a superior quality, usually commanding twenty to thirty cents per bushel more than barley grown in the United States. The Canadians cultivate the four-rowed variety, but their great advantage is the perfect adaptation of soil and climate to the production of this cereal. At present not more than one-third of the amount required by manufacturers of malt liquors is grown in the United States; and the statement has been made that if the barley now grown in Canada were reduced one-half, it would cripple the manufacture of malt liquors to such an extent as to involve a loss to the United States Treasury, annually of about \$2,000,000. Barley was free of duty under the reciprocity treaty. The present duty is fifteen cents per bushel.

In 1854 Canada exported flour to the United States of the value of \$3,370,316, reduced in 1864-'65 to \$1,916,235. This large exportation of flour before the reciprocity treaties indicates that Canadian white wheat will always be required for domestic consumption in New England and New York, notwithstanding the duty of twenty per cent. Another singular fact is, that the value of wheat exported in 1854 was \$2,870,652, while in 1864-'65 it was only \$1,227,363, an excess in the former year of \$1,642,645. Add this sum to the amount in which the export of flour in 1854 exceeded that of 1864-'65, and the aggregate more than balances the difference of agricultural which is recorded in favor of 1864-'65.

The observations suggested by the list of exports from the United States to Canada will occur in connexion with the next topic of inquiry, viz., "the nature and extent of the changes made in the Canadian tariff since 1854."

THE CANADIAN TARIFF.

By the Canadian tariff of 1849, spirits, wine, tobacco, tea, coffee, sugar, molasses, spices, &c., were charged with duties partly specific and partly *ad valorem*, which were gradually made exclusively specific. On the 26th March, 1859, this was altogether changed, *ad valorem* duties, ranging from thirty to one hundred per cent., and averaging forty per cent., were adopted, and mostly prevail at this time although additional specific duties have been imposed on the articles named above by the tariffs since 1862. When the duties were exclusively specific there was great encouragement of purchases in American markets; but with the policy of 1859, substituting *ad valorem* rates, the Canadian purchaser finds it for his interest to trade directly with Europe and countries producing the articles in question.

In regard to American manufactures, the Canadian tariff is not immoderate, and is of impartial application. There is no discrimination in favor of English fabrics, while the vicinity of the American manufacturer affords him a positive advantage. A large class of articles, consisting of iron, steel, metals, and articles entering into the construction of railways, houses, ships, and agricultural implements, are admitted at 10 per cent. duty; but 20 per cent. is the prevalent rate upon manufactured articles. Excluding the class of luxuries and stimulants first mentioned, the average taxation by Canada in 1864 '65 upon dutiable goods was 18.7 per cent.; while of the total importations, 43 per cent. were of articles free of duty. Of course this large percentage was owing to the operation of the reciprocity treaty, but it is likely to continue.

The average per centage on goods paying duty by Canadian tariffs was 13 per cent. in 1854, 19 per cent. in 1859, and during the last fiscal year ending June 30, 1865, it was 22.3 per cent.

The rate of taxation by the American tariff upon dutiable goods has been ascertained by Dr. William Elder, statistician of the Treasury Department, at the following averages for corresponding years: In 1854, 25.6 per cent.; in 1859, 19.5 per cent.; and in 1865, 50.4 per cent.

The Canadian advance of rates is less than might have been anticipated when attention is directed to the public debt of Canada, which was officially stated in 1864 at the sum of \$76,223,061. Of this amount the following expenditures by the Canadian government have been for the construction of canals and railways, which have been of great value to the western States as communications with the ocean and the Atlantic cities:

1. The St. Lawrence canals, by which vessels of 300 tons burden avoid the rapids between Kingston and Montreal.....	\$7,406,269
2. The Welland canal, passing vessels of 400 tons burden from Lake Erie to Lake Ontario.....	7,309,849
3. Chambly canal and river Richelieu, enabling vessels to pass from the St. Lawrence into Lake Champlain.....	433,807
4. Lake St. Peter improvements, dredging a channel for sea-going vessels drawing 20 feet of water to Montreal.....	1,098,225
5. Harbors and light-houses, mostly in aid of the navigation of the lakes and the St. Lawrence.....	2,549,617
6. Grand Trunk railway.....	15,812,894
7. Great Western railway, from Niagara to Detroit.....	2,810,500
8. Northern railway, connecting Lake Huron with Lake Ontario.....	2,311,666
9. Interest on railway debentures, &c.....	9,642,025
Total.....	42,254,852

Fully fifty per cent. of the debt of Canada has been assumed for objects which are directly for the advantage of the American communities in the valley of the St. Lawrence—a consideration which should restrain any violence of remonstrance against the fiscal legislation of Canada.*

The relations of that legislation to exports from the United States to Canada will appear from the following statement, compiled from Canadian trade returns, which gives our exports for 1854, the year before the reciprocity treaty; for 1859, or midway of the operation of the treaty under the advanced Canadian tariff of that year, and from 1861 to 1865, or during the period of the war, exhibiting separately the amounts of free and dutiable goods and the average rates imposed by Canadian tariffs on dutiable goods:

Years.	Free goods.	Dutiable goods.	Rate per cent.
1854.....	2,524,555	16,307,326	15.1
1859.....	8,556,545	9,036,371	18.9
1861.....	12,722,755	8,346,633	19.6
1862.....	19,044,374	6,128,733	19.4
1863.....	19,134,966	3,974,396	22.3
1864. (half-year)	8,249,569	2,173,934	21.4
1864 '65	15,589,055	3,991,226	22.3

Of manufactures and foreign merchandise there was a larger importation to Canada from the United States in 1854 than in 1864-'65, for reasons already assigned. The leading articles taken by Canada in the latter year are coal, mostly anthracite, \$544,511; meats, \$876,968; Indian corn, largely for distillation, \$781,288; wheat and flour, \$3,559,749; cheese, \$306,618; tobacco, unmanufactured, \$277,007, and wool, \$174,040. Total in 1864-'65, \$6,510,211. Total of same articles in 1854, \$1,498,888.

Passing from this special statement of the Canadian trade, a brief analysis will be attempted of the commercial relations of the United States to the following divisions of British America; 1. New Brunswick; 2. Nova Scotia; 3. Prince Edward Island; 4. Newfoundland; 5. Central British America or the territory of the Hudson Bay Company northwestern of Minnesota; and 6. The Pacific colonies of British Columbia and Vancouver's Island.

NEW BRUNSWICK.

The area of this province is 27,700 square miles, or 17,730,560 acres, of which 7,551,909 had been disposed of by sale or grant on Jan. 1, 1864, and 885,108 acres are under cultivation. A large portion of this surface is covered with dense forests of pine, hemlock, cedar, &c., which furnish immense quantities of timber, both for export and shipbuilding. Coal and iron ore are abundant—the former said to extend over 10,000 square miles, or about one-third of the area of the province. The fisheries of the Atlantic coast are inexhaustible, and very profitable.

* There is, unquestionably, a growing party in Canada who advocate an advance of duties with a view to encourage manufactures. Hon. Isaac Buchanan, of Hamilton, is the prominent exponent of such a policy. While advocating a Zollverein or Customs Union with the United States, he argues, with much force and persistence in favor of restrictions upon trade with Europe. Mr. Galt, the Canadian minister of finance, insists that the Canadian tariff is not protective, in the usual sense of that term; but it is easy to see that Mr. Buchanan's views are making way in Canada.

The following statistics of New Brunswick are compiled from the latest official reports. The revenue for the fiscal year ending Oct. 31, 1864, was 1,060,815; for 1863, \$844,894; increase, \$215,921; and derived as follows:

	1863.	1864.
Railway impost.....	\$138,300	\$181,944
Import duty.....	585,069	748,315
Export duty on lumber.....	61,884	67,640
Territorial and casual.....	28,293	80,738
Miscellaneous.....	86,893	87,128
Total.....	844,894	1,060,815
Imports for 1864, dutiable.....		\$6,692,488
do do free.....		2,252,864
Total.....		8,945,342
Rate of impost on dutiable goods.....		18.57 per ct.
Rate of impost on all goods.....		10 15 per ct.
Imports from the United States.....		\$3,816,824
Exports to all countries.....		5,058,897
Exports to the United States.....		1,266,148

The exports to the United States are largely of lumber, but otherwise the trade with this country is of the same nature as that of Nova Scotia, which will be given in more detail. The population of New Brunswick in 1864 was 272,780.

The Financial Secretary of the province, in his last report, says: "The reciprocity treaty had been ten years in operation on the 12th of November, 1864. During ten years ending Dec. 31, 1864, importations from the United States amounted in value to 6,728,896*l.* sterling, against 3,730,752*l.* during ten years immediately preceding the treaty." The same officer remarks that the only instance of coal mining in New Brunswick is by an American company.

In regard to the shipbuilding interest, it is stated by the same authority that the number of vessels built in New Brunswick during 40 years has been 4,169, measuring 1,584,386 tons, and the structures of 1864 were much above the average of those years.

The funded debt of New Brunswick, mostly incurred for railroads, was \$5,702,991 in 1863.

NOVA SCOTIA.

The peninsula of Nova Scotia, including the island of Cape Breton, has an area of 18,746 square miles; in acres, 11,996,440, and probably no equal surface of the world combines so many natural advantages. Among these are a fertile soil, a climate softened by insular position and the vicinity of the Gulf Stream, capacious harbors never closed in winter, immense coal-beds accessible by vessels, and a productive gold district, besides deposits of iron, copper, manganese, gypsum, and slate. Although agriculture is prosperous, yet seafaring pursuits so largely engross the people that large importations of breadstuffs and provisions are made from the United States.

The following statements of the trade of Nova Scotia are official for the year ending Sept. 30, 1865:

The amount of customs and excise duties collected in 1865 was \$1,047,-

891, against \$990,169 in 1864—an increase of \$57,721. The amount in the hands of the Receiver-General at the close of the last fiscal year was \$222,932, against \$225,150 at the end of September, 1864. The income and outlay for the fiscal year 1865 were thus nearly balanced.

The imports of the province have been rapidly increasing for the past four years. The official figures for those years are: 1862, \$8,445,042; 1863, \$10 201,392; 1864, \$12,604,642; 1865, \$14,381,662.

Here is an average increase of \$2,000,000 a year for a province containing only about 350,000 people. The imports for 1864 and 1865 were divided between the various countries with which the Nova Scotians trade as follows:

Countries.	1864.	1865.	Increase.
Great Britain.....	\$6 315,988	\$5,407 843	\$908,145
British North American colonies.....	1,592,778	1,188,746	404,027
British West Indies.....	667,206	440,767	226,439
United States.....	4,325,857	4,308,016	22,841
Other countries.....	1,479,838	1,234,270	245,568
Total	14,381,662	12,574,642	1,807,020

The imports from the United States in 1865 are classed thus:

Subject to duty.....	\$1,186,160
Free under reciprocity.....	1,747,806
Free under tariff.....	1,392,891

Those articles free both under the tariff and under reciprocity are put in the former class. Nearly the whole of the imports which are classed as free of duty under the reciprocity treaty consisted of wheat flour, no less than \$1,529,819 of flour having been imported. The imports—beef, pork, and hams—from the United States, during the year, were valued at \$170,282, and of butter and lard at \$23,051. The principal dutiable articles imported from the United States were:

Cordage and canvas.....	\$24,966	Molasses.....	10,448
Cottons and woollens.....	102,656	Paper manufactures, &c.....	22,994
Drugs and patent medicines...	43,990	Spirits	46,447
Leather and leather manufactures	137,690	Sugar, raw and refined.....	17,326
Hardware	243,650	Tea, black	65,605
Rock and coal oil and burning fluid	\$93,477	Tobacco, manufactured	82,520
		Woodware, manufactured.....	118,864

The principal articles free under the tariff were:

Flour, other than wheat.....	\$102,315	Salt	\$2,119
Fish, all, and oil of.....	34,793	Stone, including lime.....	14,754
Grain.....	23,142	Tobacco-leaf.....	53,841
Hardware.....	17,843	Vegetables.....	12,274
Hides and skins.....	26,828	Woodware, manufactured.....	10,576
Printed books, &c.....	35,821		

The total exports of the province for the last fiscal year were valued at \$8,830,639. The leading articles were fish, coal, lumber, and its manufactures. A portion of the exports, however, consisted of articles not produced in Nova Scotia, which had evidently been imported and then sold into the other maritime provinces.

(To be continued.)

THE BANK OF ENGLAND.

BY MERCATOR.

The story of the establishment of the Bank of England, and its subsequent remarkable career, has been so often related—and with so much ability and in such ample detail—that to attempt any new narrative of the subject may appear, in the opinion of a pretty large and enlightened class, more tedious and trite than a twice or even a thrice told tale, and quite a work of supererogation. What the few have learned and are familiar with, they think to answer all useful purposes, particularly if it be thought that the spread of knowledge would tend to inconvenience or danger. There is, however, an old adage that there are two ways of telling a story, and from the experience of most persons—with statesmen, historians, lawyers and witnesses—they would be apt to arrive at the conclusion that there are far more; and we may therefore reasonably obtain pardon if we have fallen into the error of believing that we might be able to give a brief and plain account of the Bank of England, from the period it was founded down to the present time, interspersed with some observations and reflections of our own, which, if displaying no striking quality, may have the merit of leading such readers as are familiar with the subject into a path hitherto untrodden by them, and inducing them to contemplate the narrative from a new point of view. There is, however, a vast multitude—and it is to it we chiefly address ourselves—composing not only thousands, but millions, who are as ignorant of the Bank of England as they are of the invention of pounds, shillings and pence by William the Conqueror, and to whom, we trust, what we shall feel it our duty to recount, will be as interesting and serviceable as it will undoubtedly be novel.

There is no question that, sometime previous to the starting of the Bank of England, all classes, but more especially the commercial class, required greater facilities in obtaining monetary accommodation than it was possible to procure under the existing state of things; and various plans had been proposed by projectors, in numerous pamphlets, tracts, and other publications, for the establishment of a national bank, which attracted much attention, and was received with considerable favor. The accommodation which the goldsmiths, who were then the only persons engaged in the business of banking in the country, had it in their power to afford, was so inadequate to meet the growing demands of commerce, and they were, moreover, in the habit of applying “the screw”—to use a modern phrase well understood—with much severity, that a general desire prevailed for the abolition of this growing monopoly.

If the Bank of England had started into existence to supply this want, and had confined itself to assist and extend commercial enterprise, by a judicious employment of the enormous capital at its command, it would have been a real national blessing, and its founders would have been entitled to be regarded as benefactors of their country. But such was, unfortunately, not the case, and the bank, which was recommended to public patronage and support, as the means of securing for trade and commerce substantial advantages, by an extinction of monopoly, and an equitable reduction of interest, became itself one of the most grievous and withering monopolies with which the country has ever been cursed, and an

engine in the hands of avaricious men to wring extortionate profits from the industrial classes of society. When James II., at the revolution of 1688, which Hallam, a distinguished constitutional historian, denies to have been a glorious one, left his throne vacant for his ungrateful and undutiful nephew and son-in law, William III., and his unnatural daughter, Mary Stuart, the affairs of the kingdom were in a happy and prosperous condition. The burdens were light upon the people, a tax-gatherer was almost unknown in England, a circumstance which will excite little surprise when we collect that the national debt, which now amounts to about 900,000,000*l.*, at the close of the reign of the sovereign who was exiled for his attachment to Popery and the Jesuits, though an Archbishop of Canterbury, and a large section of the clergy preferred to be reduced to indigence rather than take the oath of allegiance to his successor, did not exceed the modest proportion of 664,263*l.*

William Patterson, the projector and founder of the Bank of England, was a native of Scotland, and born in Traillflatt, in the county of Dumfries. He was educated for the church, and afterwards pursued for a length of time a course of life inconsistent with the profession for which he was intended. He was engaged in the Darien scheme, and was evidently a person of adventurous spirit and fertile imagination—just one of the class who are qualified by boldness, industry, perseverance, and originality, to become the pioneers in great social and political changes. He, however, does not deserve much credit upon the score of originality for having proposed the establishment of a Bank of England, as we had only to look to Hamburg, Amsterdam, Venice, and Genoa—where banking institutions, similar to the one he contemplated founding, existed and flourished—to find models for his guidance. After Patterson generated his scheme, he became little more than an instrument in the hands of an intriguing and unscrupulous man, named Michael Godfrey, who was one of the creatures of William 3d, and was appointed by him to the office of first Deputy-Governor of the Bank of England. The advocates of the scheme supported it upon political and commercial grounds, and among the most ardent of its champions, we find in the front rank Michael Godfrey, stating in a pamphlet that some “pretended to dislike the Bank only for fear that it should afford their majesties the supplies required to be raised,” and after complaining that all the company of oppressors “*were extortioners and usurors, were never so attacked as they were likely to be by it.*” The course pursued by the Bank of England for more than 150 years has not tended to fulfil this prediction.

Smollet observes that the project had been recommended to the ministry for the following reasons: That it would rescue the nation out of the hands of extortioners, lower interest, raise the value of land, revive public credit, extend circulation, improve commerce, facilitate the annual supplies, and connect the people more closely to the government. The opponents of the movement, including the Goldsmiths and the Tory party—with more truth and reason—justified their resistance to it, upon the ground that the proposed Bank would become a monopoly, and engross the whole money of the kingdom, that it might be employed to the worst purposes of arbitrary power, that it would weaken commerce by tempting people to withdraw their money from trade, that it would enable brokers and jobbers to prey upon their fellow creatures, that it would encourage frauds and gaming, and corrupt the morals of the nation.

Thus advocated and denounced, the scheme was submitted to the Privy Council, and fully discussed in the presence of Queen Mary. The King, her husband, was absent at the time, but he was made acquainted with its details, and approved of it because he perceived that it would afford him the means of raising large sums of money to prosecute the war, in which he was engaged against France. William, however, with that habitual caution and foresight, for which he was distinguished, aware of the hostility which prevailed towards the measure, instead of introducing it boldly and prominently—to borrow the words of an able financial authority—smuggled it at the tail of an act of Parliament for raising money generally and in the preamble this statute is described, *as a means for securing certain recompenses and advantages to such persons as should voluntarily advance the sum of fifteen hundred thousand pounds, to enable their majesties to carry on the war against France.*

By the act of 5 William & Mary, it was declared that a royal charter should be granted, under the title of “The Governor & Company of the Bank of England,” to such persons as should *voluntarily advance a loan of £1,200,000 to the Government*, at the rate of 8 per cent. per annum interest, and £4 per cent. for management. This amount was to be subject to redemption, if Parliament should think it expedient to cancel it, by giving twelve months’ notice after the 1st August, 1705—but, instead of repaying it, the debt has from time to time enormously increased, and it remains unredeemed to the present day. There was still £300,000 of the £1,500,000 deficient, and this was also to be raised by subscription, each subscriber receiving an annuity for one, two or three lives upon the following terms: Every subscriber who advanced £100 on *one* life, was to receive an annuity of £14; on two lives, an annuity of £12 for every £100 advanced; and on three lives, an annuity of £10 for every £100. There was a provision in the act that in case the sum of 1,500,000*l.* was not raised before October, 1694, the deficiency was to be made up by a loan at 8 per cent. In the space of ten days the entire amount was advanced, and 25 per cent. of the money paid down, and on the 27th July, 1694, the charter was duly signed and sealed. The Bank then immediately commenced operations in Grocers’ Hall, and consisted of a governor, a deputy governor, and a proprietary of holders of capital stock.

The property qualification of a Governor was, and still is, that he should possess 4,000*l.* on his own right; for a Deputy Governor, 3,000*l.*; for a Director, not less than 2,000*l.* of the stock of the corporation; and every elector was obliged to have 500*l.* capital stock to entitle him to *one* vote. It is a remarkable circumstance—just as if the Governor of this corporation of money dealers would not be likely to take care of his own interest and that of his associates—that he was required to make the following oath, which each of his successors has been obliged, down to the present time, also to do upon entering upon office:

“I, A. B——, being nominated or elected to be Governor of the company of the Bank of England, do promise and swear that I will, to the utmost of my power, and by all lawful ways and means, endeavor to support and maintain the *body politic of fellowship* of the Governor and company of the Bank of England, and the *liberties and privileges* thereof; and that in the execution of the said office of Governor, I will faithfully and honestly demean myself, according to the best of my skill and understanding, so help me God.”

It is difficult to reconcile this oath, which the chief officer of a national monetary institution is even now required to take, with a passage in the charter, wherein it is stated that the bank was established with a view of *promoting the public good and benefit of the people.*

In glancing at the history of the bank and consulting the testimony of distinguished individuals and numerous commercial bodies in the kingdom, it will be found that, in observing the letter and the spirit of this oath, the Governors of the Bank of England have, in numerous instances, inflicted serious injury upon society. We have now seen the bank fairly started, having lent its capital of 1,200,000*l.* at the handsome remuneration of 100,000*l.*, to be paid annually for the loan.

FOREIGN TRADE AT NEW YORK FOR MAY.

The official Custom House figures showing the foreign trade at the port of New York for May have just been furnished. We trust that many years (!) will not elapse before some way will be found of making up these returns earlier, so that they can possess a little more present interest. The figures now made public enable us to bring down our tables to the close of the eleventh month of the fiscal year, and we give in comparison the same periods of previous years.

IMPORTS.

For the month of May, as our readers have seen from our weekly tabl the im-ports were very large, being in fact this year more than twice the amount for May, 1865. The following are the im-po-ts for May of each of the last three years:

	1864.	1865.	1866.
Entered for consumption.....	\$7,531,900	\$6,592,157	\$12,563,551
Entered for warehousing.....	14,727,176	5,233,049	13,902,407
Free goods.....	1,056,576	818,818	959,416
Specie and bullion	660,092	177,083	293,073
Total entered at port.....	\$23,975,144	\$12,876,109	\$28,818,447
Withdrawn from warehouse.....	659,869	10,277,170	9,450,591

From the above it will be seen that the total goods thrown on the market during each year in May was as follows:

FOREIGN GOODS MARKETED IN MAY.

	1864.	1865.	1866.
Entered for consumption....	\$7,531,900	\$6,592,157	\$12,563,551
Free goods.....	1,056,576	818,818	959,416
Withdrawn from warehouse.....	659,869	10,277,170	9,450,591
	\$9,267,745	\$17,688,145	\$23,973,558

The total imports for the first five months of the year are as below :

FOREIGN IMPORTS AT NEW YORK FOR THE FIVE MONTHS FROM JANUARY 1ST.

	1864.	1865.	1866.
Entered for consumption.....	\$70,520,704	\$29,582,127	\$78,077,099
Entered for warehousing.....	37,837,458	30,687,327	56,469,417
Free goods	4,793,780	4,070,486	6,027,236
Specie and bullion.....	1,280,283	815,791	1,085,637
Total entered at port.....	\$114,432,225	\$65,156,731	\$140,666,379
Withdrawn from warehouse.....	30,294,823	35,279,863	41,026,423

It will be noticed that the increase this year in imports is considerably more than 100 per cent., being \$65,156 1,73 in 1865 and \$140,666,379 in 1866. This is for the

ve months since January 1. If now we add the figures since July 1, we have as follows:

FOREIGN IMPORTS AND AMOUNT MARKETED AT NEW YORK FOR ELEVEN MONTHS.				
	1865-66.		1864-65	
	Total imports.	Total thrown on market.	Total imports.	Total thrown on market.
ix months.....	\$142,780,367	\$185,457,584	\$79,767,221	\$69,201,651
January.....	80,109,830	27,219,868	10,620,117	11,711,178
February.....	30,692,557	26,560,901	11,478,658	11,472,456
March.....	26,204,910	24,221,630	16,012,373	13,692,088
April.....	24,840,605	23,269,341	14,174,464	14,369,609
May.....	28,818,447	23,978,558	12,876,109	17,688,145
Total for 11 mos.....	\$283,896,716	\$259,705,832	\$144,928,952	\$138,135,127
educt specie	2,157,395		1,654,309	
Total merchand'ce.....	\$281,239,651		\$143,269,553	

In the foregoing we have not only given the total imports each month, but also a column showing the total amount thrown on the market.

WAREHOUSE MOVEMENT.

This year, about one-half of the imports (\$18,902,407) were entered for warehousing, but as \$1,246,288 was re-exported in bond, and \$9,450,591 were withdrawn for consumption, the increase for the month in stock is only about three millions. Below we give a statement of the warehouse movement for May, with the stock on hand June 1:

WAREHOUSE MOVEMENT AT NEW YORK IN MAY.		
Stock in warehouse May 1, 1866.....		\$30,135,543
Entered for warehousing in May.....		18,902,407
Received from other ports in May.....		166,186
Supply.....		\$44,204,136
Withdrawn for consumption.....	\$9,450,591	
Exported from warehouse.....	1,246,288	
Transported to other ports.....	210,342	10,907,221
Stock in bond June 1, 1866.....		\$33,296,915
do do 1865.....		21,249,743
do do 1864.....		18,816,114
do do 1863.....		19,321,584
do do 1862.....		11,862,642

CUSTOM RECEIPTS.

On account of a large proportion of the imports being entered for warehousing, the duties collected are not in proportion to the increased imports. The following table gives the Custom's receipts at this port for the eleven months:

RECEIPTS FOR CUSTOMS AT THE PORT OF NEW YORK.			
	1864.	1865.	1866.
ix months.....	\$35,042,976 45	\$24,473,902 73	\$65,007,828 87
January.....	6,180,536 09	4,231,737 47	12,437,474 16
February.....	7,474,027 93	4,791,247 10	12,003,273 74
March.....	7,659,770 47	5,392,099 26	11,173,154 63
April.....	13,262,555 60	6,309,994 34	10,910,896 78
May.....	8,855,186 46	8,183,423 06	11,418,492 10
Total for eleven months.....	\$74,195,053 00	\$53,332,403 96	\$123,065,620 27

EXPORTS.

The exports this year during the month of May have also been in excess of previous years, given in our comparative table. It should be remembered, however, that they are recorded at their market currency value, while the imports are given in their invoiced gold value, without freight and duty being added. The following will show the comparative exports from this port for the month of May:

EXPORTS FROM NEW YORK TO FOREIGN PORTS IN THE MONTH OF MAY.

	1864.	1865.	1866.
Domestic produce.....	\$14,610,493	\$7,862,565	\$12,211,725
Foreign free goods.....	40,898	54,500	15,723
do dutiable.....	569,888	320,210	75,451
Specie and bullion.....	6,460,980	7,255,071	22,744,124
Total exports.....	\$21,682,209	\$15,512,346	\$35,371,053
do do exclusive of specie.....	15,221,279	8,258,275	12,192,573

This shows a gain on May of last year, but is a little below the corresponding totals of several previous years. In specie, it shows the largest monthly export on record. The heaviest shipments in any previous month were in May, 1859, when the total was \$11,421,032. We present also the exports from this port from January 1 to the close of May :

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR FIVE MONTHS FROM JANUARY 1ST

	1864.	1865.	1866.
Domestic produce.....	\$57,390,427	\$50,068,985	\$54,621,047
Foreign free goods.....	281,956	599,479	493,721
do dutiable.....	2,849,637	2,011,597	2,413,722
Specie and bullion.....	22,619,012	12,716,267	29,251,614
Total exports.....	\$83,141,032	\$75,396,328	\$117,357,373
do do exclusive of specie.....	70,522,030	62,680,041	97,413,699

This shows a large increase the last five months over the same period of 1865. If now we add the figures for the previous six months we have the following as the exports for the eleven months of the fiscal year :—

EXPORTS (EXCLUSIVE OF SPECIE) FROM NEW YORK TO FOREIGN PORTS FOR ELEVEN MONTHS OF THE FISCAL YEAR.

	1864.	1865.	1866.
Six months ending Jan. 1.	\$79,049,334	\$181,946,100	\$107,692,574
January	12,150,670	16,561,596	20,192,927
February	14,196,409	15,750,897	17,955,567
March	15,062,677	14,297,712	22,662,257
April	13,870,965	7,711,648	23,211,065
May	15,221,279	8,258,275	12,192,573
Prod. and Mdse. 11 months.....	\$149,571,854	\$194,026,141	\$205,173,413
Add of Specie.....	51,741,111	84,369,787	41,979,999
Total Exports for 11 months.....	\$201,312,465	\$278,016,928	\$247,153,412

In estimating the trade of the country from these figures for the port of New York, it should be remembered that they do not represent the same proportion of that trade as formerly. The last year nearly all the imports for the South have been entered at New York, while the exports from the South have been very large : in cotton alone amounting to about 700,000 bales.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.**COTTON, BREADSTUFFS, PROVISIONS, ETC.**

Our London correspondent furnishes us an analysis of our trade with Great Britain during the first five months of the present year, compared with the corresponding period in 1865 and 1864. The figures presented to us exhibit many features of great interest at the present moment, and show how extensively our inward and outward trade with Great Britain has been augmented.

The total declared value of the exports of British and Irish produce from Great Britain to all quarters from Jan. 1 to May 31 was £78,227,710, whilst in the corresponding period last year, it amounted to only £60,901,576 ; and in 1864 to £44,061,040

There is, therefore, an increase in the present year in this department of trade of nearly £18,000,000 as compared with 1865, and of £14,000,000 as compared with 1864 For each month the figures stand thus :

	1864.	1865.	1866.
January.....	£10,413,586	£10,489,839	£14,854,748
February.....	12,698,121	11,876,214	15,116,069
March.....	13,555,674	13,770,154	17,520,854
April.....	13,225,089	12,071,111	15,366,414
May.....	14,176,640	13,194,758	15,870,181
Total	£64,069,060	£60,901,576	£78,237,710

The details for each country embrace a period of only four months, and for that period the return gives the following results so far as the United States are concerned :

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£3,216,370	£3,857,997	£10,834,340
Southern.....	49,934	18,718	890,249
Pacific ports	233,036	132,500	377,683
Total.....	£3,499,340	£4,009,215	£11,502,273

The computed real value of the principal imports into Great Britain for the four months ending April 30 was £68,804,895, against £45,387,850 in 1865, and £54,719,390 in 1864. For each month in each of the last three years the figures were as follows :

	1864.	1865.	1866.
In January... ..	£7,520,856	£3,398,922	£9,847,564
February.....	13,214,541	12,891,252	16,610,159
March.....	16,396,928	13,005,394	19,891,204
April.....	17,587,568	13,078,755	22,455,969
Total	£34,719,890	£45,387,850	£68,804,895

COTTON.

Cotton continues to be imported freely into Great Britain from the United States. In May the largest supply was received from that quarter the receipts from American ports being very nearly one-half of the total importation. The total imports in May was 1,490,636 bales being an increase of 880,000 bales as compared with May last year, and an increase of 500,000 bales as compared with the same month in 1864. The total receipts for the five months ending May 31, were 5,180,070 bales, against 2,687,022 bales last year, and 2,756,664 bales in 1864. The details are as under :

IMPORTS OF COTTON INTO THE UNITED KINGDOM IN FIVE MONTHS.

	1864. Cwts.	1865. Cwts.	1866. Cwts.
From United States.....	50,791	60,144	2,471,929
Bahamas and Bermudas.....	127,271	141,959	2,734
Mexico.....	127,529	173,400	2,145
Brazil.....	133,960	196,700	332,706
Turkey.....	52,597	130,657	76,794
Egypt.....	590,676	660,208	551,251
British India.....	1,247,873	925,891	1,649,553
China.....	300,164	206,495	.....
Other countries.....	85,801	139,563	91,956
Total.....	2,756,664	2,637,033	5,180,070

The computed real value of the cotton imported during the *four* months ending April 30 was as follows :

	1864.	1865.	1866.
From United States.....	£133,749	£289,043	£15,483,361
Bahamas and Bermudas.....	1,230,478	1,197,855	23,227
Mexico.....	1,276,280	984,587	123,591
Brazil.....	1,199,463	1,309,782	2,361,935
Turkey.....	573,397	449,937	387,939
Egypt.....	4,324,432	4,923,073	3,993,556
British India.....	7,211,413	3,363,543	6,243,466
China.....	1,806,422	633,514	.....
Other countries.....	716,408	811,130	619,663
Total.....	£13,472,051	£13,967,469	£29,344,760

The export of cotton from Great Britain in May were less than in the corresponding month in 1865. This circumstance arose from the fact that a probability then existed of a Fenian war, the decline in the export being chiefly as regards the *Hanse Towns*. The total for the month is 268,945 cwts.; against 328,864 cwts. in 1865, and 275,251 cwts. in 1864. For the five months ending May 31, the exports to each of the leading countries were of the following magnitude:

	1864. cwts.	1865. cwts.	1866. cwts.
To Russia:			
Northern ports.....	60,491	27,639	8,142
Prussia.....	6,056	4,841	2,142
Hanover.....	28,379	13,006	5,111
Hanse Towns.....	203,045	201,717	39,711
Holland.....	164,966	111,891	24,734
Other countries.....	346,635	294,308	57,117
Total.....	809,564	742,292	1,25,252

BREADSTUFFS.

Now that war has been commenced on the Continent of Europe, and that a considerable rise has taken place in the value of wheat in England, statistics relating to the extent of the imports of wheat and flour into Great Britain are of valuable importance. The most significant fact to be drawn from the latest statement of imports into Great Britain is the extent to which the export trade in wheat and flour from French ports has been augmented during the present year. Russia, in the export of wheat, shows a very large increase; but, as regards the United States the figures are quite unimportant. The quantity shipped from Prussian ports is small as compared with the exports from France and Russia. Our latest advices from London, Liverpool and the other principal markets of the United Kingdom, state that, in consequence of the fineness of the weather, the continuance of a high rate for money in the discount market, and an increasing importation, the wheat trade had become most inactive; but in consequence of the Continental war, holders of wheat were quite indisposed to make any concessions in prices. It appeared doubtful whether the advance in the quotations of 6s. @ 8s. per quarter could be wholly maintained, there being a tendency to a lower range of values. The statement of imports into the United Kingdom is as follows:

IMPORTS OF BREADSTUFFS INTO THE UNITED KINGDOM IN FIVE MONTHS.

WHEAT.

From	1864. cwts.	1865. cwts.	1866. cwts.
Russia.....	706,909	2,064,251	2,22,422
Prussia.....	1,802,185	1,473,206	93,544
Denmark.....	367,862	146,060	1,117
Schleswig, Holstein, and Lauenburg.....	133,946	93,779	5,444
Mecklenburg.....	947,943	238,755	32,122
Hanse Towns.....	226,573	171,665	12,449
France.....	436,891	277,214	2,20,209
Turkey, Wallachia, and Moldavia.....	212,409	239,855	34,157
Egypt.....	367,263	.....	.....
United States.....	3,270,792	141,211	33,149
British North America.....	17,378	2,294	1,144
Other Countries.....	181,480	497,402	1,72,155
Total.....	8,258,541	5,339,222	2,22,572

It will be observed that Egypt has not yet assumed her position as a wheat exporting country.

FLOUR.

From	1864. cwts.	1865. cwts.	1866. cwts.
Hanse Towns.....	160,137	102,014	1,117
France.....	1,287,728	1,005,671	2,27,165
United States.....	962,136	309,465	1,117
British North America.....	4,305	11,365	1,117
Other Countries.....	46,229	73,009	10,111
Total.....	2,460,535	1,399,155	1,23,252

BRITISH AND IRISH PRODUCE.

The exports of British and Irish produce and manufactures in May show, as regards many articles, a diminution from previous years, not so much, indeed, from last year, at which period comparatively little business was then passing between the United States and Great Britain, but from 1864 and previously to that period. The aggregate for the present year, however, is large, and compares very favorably with many previous years:

DECLARED VALUE OF EXPORTS OF BRITISH AND IRISH PRODUCE FROM GREAT BRITAIN TO THE UNITED STATES FROM JAN. 1 TO MAY 31.

	1864.	1865.	1866.
Alkali.....	£196,056	£172,502	£214,532
Beer and ale.....	26,379	14,497	29,243
Coals	50,746	37,806	33,823
COTTON MANUFACTURES—			
Piece goods.....	1,059,614	511,785	1,858,832
Thr ad.....	113,540	35,063	150,486
Earthenware and porcelain.....	197,052	138,704	314,351
Haberdashery and millinery.....	553,249	268,757	701,005
HARDWARES AND CUTLERY—			
Knives, forks, &c.....	60,526	50,916	192,181
Anvils, vices, saws, &c.....	50,776	23,032	52,907
Manufactures of German silver.....	155,759	64,861	292,858
LINEN MANUFACTURES—			
Piece goods.....	1,363,841	894,044	1,909,597
METALS—			
Iron—Pig.....	155,024	47,838	142,949
Bar, &c.	485,718	61,618	256,197
Railroad.....	538,529	93,897	341,110
Castings.....	9,896	1,157	8,450
Hoops.....	151,040	20,272	141,749
Wrought.....	166,569	66,124	104,438
Steel—Unwrought.....	242,076	115,515	271,900
Copper, wrought.....	11,910	12,630	24,666
Lead, pig.....	168,557	6,212	59,684
Tin plates.....	426,924	316,186	645,172
Oilseed	45,742	89	72,316
Salt	18,630	11,197	61,316
SILK MANUFACTURES—			
Piece goods.....	52,448	22,604	80,261
Handkerchiefs, scarfs, &c.....	18,825	999	5,539
Ribbons.....	26,204	11,207	22,399
Other articles.....	56,227	38,021	51,770
Other articles mixed with other materials.....	23,415	12,527	30,448
Spirits, British.....	7,457	544	4,351
Wool	33,006	250	242
WOOLLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds.....	552,128	154,364	451,528
Carpets and druggets.....	238,534	47,581	33,087
Shawls, rugs, &c.....	50,031	7,528	16,777
Worsted stuffs of wool only, and of wool mixed with other mat.....	1,291,023	668,531	1,754,972

PROVISIONS.

In the imports of provisions the principal increase is in lard and eggs. The former of these articles is selling at high prices in the United Kingdom, although they exhibit a considerable decline from the quotations current at the close of last year. Of other provisions the arrivals show no material variation from last year:

IMPORTS OF PROVISIONS IN FIVE MONTHS.

	1864.	1865.	1866.
Bacon and hams, cwts.....	639,191	848,685	365,300
Beef, salt, cwt.....	197,855	119,628	108,652
Pork, salt, cwt.	100,935	74,072	110,452
Butter, cwt.....	344,077	388,618	385,670
Cheese, cwt.....	204,458	207,126	155,344
Eggs, number.....	139,230,520	157,328,520	196,955,769
Lard, number.....	59,631	71,283	165,925

LIVE STOCK.

In consequence of the war, the import of live stock from Austria into Great Britain

is stopped. The British Government, however, have modified their recent order, and the import of fat stock is now permitted from ports in Friesland and Groningen. The imports of live stock into Great Britain for the five months ending May 31, were as under

	1864.	1865.	1866.
Oxen, bulls and cows, number	83,200	55,713	51,221
Calves, number	9,821	10,856	4,879
Sheep and lambs, number.....	91,194	159,418	241,771
Swine and hogs, number... ..	10,137	27,587	28,229

SHIPPING.

In May, 40 vessels, of a tonnage of 41,897 tons entered at ports in the United Kingdom. In the corresponding time last year, the aggregate was only 23, of 22,590 tons burden; but in 1864 the total reached 40, whilst the tonnage was 48,396 tons. During the five months the entries were 191, against 106 last year, and 173 in 1864, the tonnage in those years being 194,486, 115,862, and 199,987 tons respectively. The clearances of American vessels in May were 45, against 44 in 1865, and 40 in 1864. During the five months ending May 31, the total entries of American vessels were 283, of 231,011 tons; against 138, of 142,286 tons last year, and 183, of 203,930 tons in 1864. In May, 159 vessels entered at ports in the United Kingdom from American ports, the total during the corresponding month last year being only 45, and in 1864 95. The total entries of vessels from the United States during the five months ending May 31 were 705, of 653,116 tons; against 201, of 230,042 tons last year; and 183, of 425,977 tons in 1864. The clearances of vessels of all nationalities at ports in Great Britain for American ports were as follows: In May, current year, 126; in 1865, 83; do. in 1864, 112; in the five months ending May 31, 1866, 648, in 1865, 270, and in 1864, 395.

ANALYSES OF RAILROAD REPORTS. No. II.

I. St. Louis, Alton & Terre Haute Railroad.—II. Lehigh Coal & Navigation Company.—III. Cumberland Valley Railroad.

The Financial Statement of the Illinois Central, Pittsburg, Fort Wayne & Chicago and Chicago and Rock Island Companies appeared in the July number. We now give brief historical sketches of each, which were received too late for insertion in their appropriate places.

ILLINOIS CENTRAL RAILROAD.

The Illinois Central Railroad Company was chartered by the State of Illinois February 10, 1851, and authorized to construct a railroad from La Salle, northern Illinois, to the Mississippi River opposite Dubuque, Iowa, and southwardly to Cairo at the confluence of the Ohio with the Mississippi, and also a branch from the main line to Chicago. The Company's capital was fixed by this charter at \$1,000,000, and might be increased to whatever sum the cost of construction might involve.

The charter also surrendered to the Company all the property acquired by the State in the course of previous efforts made to construct a railroad between the same points; and all the lands donated by the United States under the act of Congress of September 30, 1850. These latter consisted of nearly 2,600,000 acres in alternate sections within six miles on both sides of the road. This property was placed in trust to be applied only to the construction of the works projected. Up to

compliance with these conditions and the completion of fifty miles of road, one fourth of the donated lands was to be held free of incumbrance and disposable by the company for its general exigencies and the remaining three-fourths were to be retained by the trustees as securities for the payment of bonds which the Company was authorized to issue. The trustees were to sell the last named bonds either for cash or in exchange for the bonds, the payment of which was intended to be thus secured, and if in cash the same to be invested in the bonds, which on receipt were to be cancelled.

The charter also provided for the exemption of the Company's property from local taxation ; but required for this privilege a payment to the State 7 per centum of the gross receipts of the road when in operation.

The main line of the road as defined by the charter extends through the whole length of the State north and south. The Chicago Branch leaves the main line at Centralia and extends northwesterly to Lake Michigan. The aggregate length of both lines is about 708 miles.

The Company was organized, March 10, 1851. The first engineering party organized May 21st following and soon after commenced the preliminary survey of the Chicago Branch, and by mid-summer seven other parties had been organized, and were in the field ; and before the end of the year the whole line had been surveyed and located.

The first contract for graduation was made, March 15, 1852, for that portion of the branch between Chicago and Calumet, 14 miles. This was hurried through for the purpose of allowing the Michigan Central Railroad to enter the city, and was completed May 15, of the same year.

Public contracts were first made in June, 1852, when the grading of six divisions of the road was let, and on October 14, following the remaining six divisions were put in hand. The work was carried on with such vigor that both the main line and branch were completed and brought into operation within the next four years, having been opened in sections as follows :

Chicago to Calumet.....14 miles,	May 15, 1852	Warren to Scales Mound.14 miles,	Sept.11, 1854
La Salle to Bloomington.60 "	" 16, 1853	Clinton to Decatur.....21 "	Oct. 18, 1854
Calumet to Kankakee...42 "	July 11, 1853	Scales Mound to Galena.12 "	Oct. 30, 1854
LaSalle to Mendota.....16 "	Nov. 14, 1853	Cairo to Sandoval.....118 "	Nov. 22, 1854
Kankakee to Spring Cr'k 31 "	Dec. 2, 1853	Decatur to Sandoval....85 "	Jan. 1, 1855
Freeport to Warren.....25 "	Jan. 9, 1854	Mendota to Freeport....65 "	Feb. 1, 1855
Bloomington to Clinton .23 "	Mar. 14, 1854	Galena to Dunleith.....17 "	June 12, 1855
Spring Creek to Peru. .22 "	May 18, 1854	Urbana to Mattoon....44 "	June 25, 1855
Peru to Urbana.....20 "	July 24, 1854	Mattoon to Centralia....77 "	Sept. 27, 1856

The several series of bonds issued by the Company for construction and other purposes may be described as follows :

Construction Bonds.....\$17,000,000

of which were 7 per cents \$12,885,000, and 6 per cents \$4,115,000. These bonds bear date April 1, 1851 and are payable April 1, 1875 ; coupons semi-annually April 1 and October 1—the 7's at New York, and the 6's at London. This issue provided the means for constructing the road. They are secured by a mortgage covering the company's road and franchises and 2,000,000 acres of land, and all sales of these lands are to be applied to their redemption, which may be made at any time, the Company paying 20 per cent. additional on the original amount. The company have also superadded to the security above named 250,000 acres of land not included in the two million aforesaid and the net earnings of the road. Of the total amount \$7,266,500 have already been redeemed and cancelled.

Free land Bonds, 7's.....\$2,000,000

—dated Sept. 1, 1854, and payable Sept. 1, 1860; coupons semi-annually March 1 and Sept. 1 at New York.

These bonds were issued to complete the work, the original estimates having been exceeded. They were secured on 345,000 acres *without encumbrance* (hence their title). The whole issued was redeemed before maturity.

Optional Rights Bonds, 7's.....\$3,200,000

—dated Feb. 20, 1858, and payable 1868; coupons semi-annually, Jan. 1 and July 1, at New York. All except \$82,000 have already been converted or otherwise retired.

Debenture Bonds, 7's.....\$970,000

—dated July 1, 1859, and payable 1861; interest Jan. 1 and July 1, at New York. These were temporary loans and have all been retired.

Eight per cent bonds.....\$500,000

—dated March 1, 1860 and payable 1865; coupons March 1 and Sept. 1 at New York. These bonds were issued for the payment of such Free Land Bonds as were not paid in upon stock at maturity. The amount issued was \$332,100, all of which but \$8,000 have been retired by conversion into stock.

Redemption Bonds, 6's.....\$2,563,000

—dated April 1, 1865, and payable 1890; coupons April 1, and October 1, at New York. Exchanged for construction bonds.

The yearly condition of the above debt is shown in a special table. The result is that it has been reduced from \$18,008,650 in 1857 to \$12,331,300 at the close of 1865. The stock in the meantime has been increased from \$6,555,435 to \$23,374,400 partly by conversion, partly by stock dividends, and partly by instalments of the original subscriptions.

The amount expended in constructing and equipping the road has been \$30,519,544.

The Illinois Central Railroad Company has been one of the most successful of the land-grant companies. It constructed the longest continuous line of railroad in the Northern States through an almost unpeopled country. In ten years thereafter a large population covered the land for many miles on each side of the road, and by their persistent industry the country has become so productive as to support the road with an affluent commerce and the land-grant has become so productive as to promise to do much more than extinguish the debt incurred in construction, &c. The amount of land already sold is 1,599,564 acres for \$18,191,362 of which \$2,844,730 was paid in cash and the remainder in notes. Of these notes \$8,735,035 are still outstanding and there is still remaining of the original grants 998,069 acres of the present value of \$8,772,264. These assets are ample to retire the debt, and when so retired the stock alone will have to be provided for from the annual earnings. This at the present day is worth more than 120—what will be its value when the Company is clear of its funded incumbrances. The future of the Company, indeed, is magnificent. With an ever increasing population and production along its route the commerce of the road is increasing wonderfully, and requires continued increase of equipment to accommodate its wants. In the ten years ending with 1865 the number of engines and cars has been doubled. In ten other years another duplication will have been made, and this probably without any large increase in the capital account. Should such be the actual result the increase must benefit alike the settler and the stockholder.

—the former by making high rates for travel and freight unnecessary, and the latter by enhancing the value of the stock held.

PITTSBURG, FORT WAYNE, AND CHICAGO RAILWAY.

The Pittsburgh, Fort Wayne and Chicago Railway Company is a consolidation of three separate companies whose conjoint line extends from Pittsburgh, Pennsylvania, to Chicago, Illinois. These were the Pennsylvania and Ohio, the Ohio and Indiana, and the Fort Wayne and Chicago.

The Ohio and Pennsylvania Railroad Company was chartered in Ohio February 14 and in Pennsylvania April 11, 1848; construction was commenced July 4, 1849, and the road completed in sections as follows: from Pittsburgh to Rochester July 30, to Clark's Summit, October 22, to Enon Valley November 19 and to Palestine December 8, 1851; to Columbiana January 2, to Alliance (13 miles of which had been opened March 27, 1851) January 6, to Massillon March 11, and to Wooster August 10, 1852; to Mansfield April 8, and to Crestline April 11, 1853. As authorized by its charter this company had the right to construct a road to the Indiana line, but the company determined to stop at the last named point, Crestline, and the remainder of the road in Ohio was built by the Ohio and Indiana Company. The total length of the road belonging to this company was 137 miles, of which 49 miles were in Pennsylvania.

The Ohio and Indiana Railroad Company was chartered in Ohio, March 28, 1850, and in Indiana January 15, 1851, and the company organized July 4, 1851. The road was placed under contract January 28, 1852, and construction commenced in the early spring; and the road completed in sections as follows: from Crestline to Forest January 18, to Delphos June 10, and to Fort Wayne November 1, 1854. Length 138 miles—in Ohio 112½, and in Indiana 19½ miles.

The Fort Wayne and Chicago Railroad Company was chartered in Illinois February 5 and in Indiana April 8, 1853, and construction commenced in the summer of the same year. The section from Fort Wayne to Columbia, 20 miles, was opened January 23, 1855. Work between Columbia and Plymouth was being prosecuted at the date of the consolidation, but all beyond Plymouth west had been suspended since July 1, 1854. The road was finally completed to Chicago January 1, 1859. Length 147 miles—in Indiana 134, and in Illinois 13 miles.

At consolidation the financial condition of the several companies was as follows:

	Capital.	Bon'ds.	Floating.	Cost of Ro'd
Pennsylvania and Ohio	\$2,651,930	\$4,091,000	\$338,124	\$6,186,088
Ohio and Indiana.....	1,504,377	1,702,000	841,050	3,482,068
Fort Wayne and Chicago.....	1,787,484	1,204,000	312,760	1,916,704
Total.....	\$5,942,891	\$6,997,000	\$1,051,936	\$11,584,845

In the process of consolidation the stocks of the several companies were equalized by adding 20 per cent. to that of the Pennsylvania and Ohio, and 6 per cent to that of the Fort Wayne and Chicago. Protests against the consolidation were made by several stockholders of the Pennsylvania Railroad whose stocks, to the amount of \$125,850, were paid in cash at par, thereby saving the 20 per cent. proffered by the consolidated company on exchange.

The Fort Wayne Company had assets besides what were represented in the work done, amounting to \$1,430,000, which passed to the consolidated company.

At that time the number of locomotives and cars constituting the rolling stock of the several roads was as follows :

	Locomotive Engines.	Passenger.	Cars Freight.	Total
Pennsylvania and Ohio Railroad.....	51	55	608	654
Ohio and Indiana Railroad.....	18	18	245	281
Fort Wayne and Chicago Railroad.....	6	..	12	18
Total	75	73	865	913

The consolidation of these companies was authorized by the Legislatures of the four States which the line of road traversed, viz.: of Pennsylvania April 16, 1856, of Ohio and Indiana by their general laws, and of Illinois February 28, 1856. The articles of consolidation dated May 6, 1856, were agreed to by the Pennsylvania and Ohio company June 2, by the Ohio and Indiana company June 24, and by the Fort Wayne and Chicago company June 12, of the same year; and the consolidation was perfected August 1, 1856, on which day the new company assumed possession of the joint property.

At the date of consolidation the road was in operation from Alleghany City, Pa. to Columbia, Ind.—388 miles. It was opened to Plymouth November 29, 1856, and to Chicago, January 1, 1859. The bridge over the Alleghany River was completed and, for the first time, trains entered the city of Pittsburg September 27, 1857.

The consolidation secured but one division of its intended purposes—it secured unity of action over the whole line, and thereby reduced expenses. It failed, however, to secure the means for the completion of the road, and its appropriate equipment. To forward its plans the company executed a general mortgage of their entire property, January 1, 1857, subject to existing mortgages, for \$10,000,000 in 7 per cent bonds; of this amount \$3,500,000 were termed construction bonds, and were set aside for the purpose of completing the road into Chicago; and \$6,500,000 were termed redemption bonds, and set aside as a timely provision by sale or exchange for the redemption of the current debt. Financial embarrassments, however, had attended the company from the outset and led to various expedients for relief. The coupons due in October, 1857 were not paid, and in the following month the company suspended payment on their floating liabilities. To relieve the position, and to allow the earnings to be applied to the discharge of current liabilities, the bondholders consented to fund the coupons falling due to April, 1859, into 10 per cent five year bonds, dated April 1, 1858; this scheme was only partially carried out, and default was again made on the interest falling due July 1, 1859. Under these circumstances the road was placed in the hands of a receiver, excepting that portion lying in Pennsylvania which had previously been placed in the hands of a sequestrator on the suits of local creditors.

The relief sought by these measures was not attained, and it was soon seen that temporizing would only hasten the impending ruin; to meet these circumstances a plan of reorganization was proposed and adopted by the several parties in interest; this plan provided for the sale of the property and the formation of a new company for which the proper legislation was procured, and to which the road, &c., was to be conveyed by the purchasing trustees, and the several kinds of indebtedness or liabilities of the three original companies to be funded anew.

The property was sold and purchased October 24, 1861, and subsequently conveyed to the re-organized company on the basis of its present constitution. The capital stock was fixed at \$6,500,000 and could only be increased by permission of

the bondholders; this was obtained in 1864 (April 7), the issue for 1864 being limited to \$3,500,000; the new stock to be applied to construction and equipment.

The war succeeding on the reorganization of the company with its increased travel and traffic brought immediate prosperity to the company. Not only has the company been enabled thereby to pay its coupons regularly, but also to distribute, for the past two years, quarterly dividends of 2½ per cent; But for this turn in the aspect of affairs it is scarcely probable that the replating of the capital invested in the property could have saved the company from final bankruptcy; thus, war has its compensations as well as its drawbacks, and few other railroads have been better compensated by it than has the Pittsburg, Fort Wayne and Chicago Railway. Nearly seven and a half millions have been expended on it since reorganization and of this amount one-half has been from net earnings after paying coupons and dividends in full.

CHICAGO AND ROCK ISLAND RAILROAD.

The history of this company, brought down to the close of the fiscal year, 1864-5, appears in the last volume of this magazine. The history of the year 1865-6 shows a liberal continuation of the improvements and of the increase of rolling stock, which has been so conspicuous during the last few years. This year is also signalled by the contracts made with the Mississippi and Missouri Railroad Company for the immediate management of their property by the Rock Island Company and the conditional sale and purchase of the same.

These two contracts are dated November 1, 1865, and when consummated and the projects completed, will give this company a continuous line of railroad from Chicago to the Missouri River, with a branch from the main line to Washington, Io. The cost of the Iowa works to the company, as they now stand, is fixed at \$5,000,000, which is to be paid in 25 years bonds bearing interest at 7 per cent. The total of such bonds to be issued is \$9,000,000. the remainder, after the above is paid, being destined: to complete the road to Des Moines, \$1,500,000; to pay off the present mortgage of the Chicago and Rock Island Company, \$1,400,000; and, to pay off the bonds of the Mississippi River Bridge, \$600,000.

These arrangements were carried out under a decree obtained from the United States District Court at Des Moines, May 12, 1866, which ordered the property of the Mississippi and Missouri Company to be sold at Davenport on June 25 ensuing. The decree forecloses all the mortgages on the road, viz: the first and second mortgages on the first division from Davenport to Iowa City; the first mortgage on the Okaloosa branch from Muscatine to Washington and the West; and the second land grant mortgage covering the whole road. The Court found that there was due upon the several mortgages \$7,462,545 34, and entered a decree for that amount. The sum at which the property is to be purchased, as above stated, is \$5,500,000, which is to be distributed as follows:

First Mortgage, First Division, and the income bonds given for interest on that mortgage and interest to July 1, 1865.....	par
Second Mortgage, First Division.....	80 per cent
Okaloosa Mortgage, including income bonds given for interest on that mortgage.....	62½ per cent
Land Grant Mortgage, including income bonds given for interest.....	70 per cent
Second Mortgage, Construction....	80 per cent
Stock.....	16 per cent

These distributions and the expenses of foreclosure will absorb the entire amount of \$5,500,000. The Chicago and Rock Island Company, on taking possession, will proceed to extend the road westward to Des Moines and ultimately to the Missouri.

Since the close of the year, the stock of the Chicago and Rock Island Company has been increased by the issue of \$2,600,000, which was distributed to the stockholders at 20 per cent of its face in cash. This was equivalent to an extra dividend of 32 per cent on the existing capital.

ST. LOUIS, ALTON AND TERRE HAUTE RAILROAD.

The constituents of the St. Louis, Alton and Terre Haute Railroad are as herewith stated :

Main Line—Terre Haute to Alton.....	miles.	172.50
Branch—Wood River Junction (4.04 miles E. Alton) to Illinois town.....		19.75
do Illinois town to Bloody Island.....		1.25
Belleville Division—Illinoistown to Belleville		14.75
Total length of road.....		208.25

This Company is a re-organization of the Terre Haute, Alton and St. Louis Company, which went into the hands of Trustees December 12, 1859, and so remained until July 1, 1862, when it was transferred to the present Company, re-organized on the basis of \$10,600,000, as the cost of the property. This amount is represented as follows :

First mortgage, 7 per cent. bonds.....		\$2,200,000
Second do do do.....	\$2,800,000	
do do do do (Income) bonds.....	1,700,000	4,500,000
Total mortgage bonds.....		\$6,700,000
Seven per cent preferred stock	\$1,700,000	
Common stock.....	2,200,000	3,900,000
Total stock and bonds.....		\$10,600,000

—at which amount the construction account was closed.

The number of engines and cars at the incoming of the existing Company, July 1, 1862, and at the close of the fiscal years 1863-64 and '65 is shown in the following :

	July 1, ————— Dec. 31 —————			
	1862.	1863.	1864.	1865.
Locomotives	87	88	42	46
Passenger cars, first class.....	25	25	23	25
Second class, baggage, express, &c.....	13	13	14	14
Freight cars—Caboose.....	240	340	20	21
do do Box.....			238	242
do do Compromise.....			81	93
do do Stock.....			94	92
do do Platform.....	85	102	165	188
do do Coal.....	168	213	319	328
do do Lime.....	..	..	29	29
Total number of cars.....		586	769	983 1,082

It may here be well to state that the improvement and repairs of the road, and the increase of rolling stock, are chargeable to earnings, the construction account being closed.

RESULTS OF OPERATING THE ROAD.

The following is a statement of the earnings, expenses, and profits of the Company since the re-organization :

	6 mos.	Calendar year		
	1862.	1863.	1864.	1865.
Earnings from passengers.....	\$174,026	\$511,235	\$655,447	\$853,961
do do Freight.....	429,659	969,886	1,324,396	1,251,161
do do Mails.....	10,706	21,891	21,398	28,187
do do Expresses.....	7,619	20,479	33,442	44,789
do Miscellaneous.....	10,712	31,923	44,891	62,716
Total earnings.....		\$632,712	\$1,554,914	\$2,081,074
				\$2,240,744

Ordinary expenses.....	1,429,604	1,591,270
Net earnings.....	\$654,470	\$649,474
Construction.....	152,708	160,915
Balance to income	\$500,767	\$488,559

The income account, giving the receipts from all sources and the disbursements on all accounts since the reorganization, shows the following results :

	1862-3. (18 months.)	1864. (12 months.)	1865. (12 months.)
Balance from last account	\$37,667 78	\$294,228 48	\$201,449 42
Gross earnings.....	2,172,441 87	2,084,074 82	2,240,748 68
Sales of property	29,973 97	.....	.....
Interest, premiums, &c.....	10,857 73	.....	.....
Total	\$2,250,940 85	\$2,378,302 80	\$2,442,198 05

Against which are charged :

Transportation expenses	\$1,027,936 48	\$1,429,603 79	\$1,591,270 11
Permanent improvements.....	46 ,628 32	153,703 79	160,915 14
Coup's and div. on pref. stock.....	456,837 64	593,545 80	600,500 00
Sundry payments and expen's.....	2,209 92	.....	.....
Balance to credit.....	294,228 48	201,449 42	89,507 80
Total	\$2,250,940 85	\$2,378,302 80	\$2,442,198 05

BALANCE SHEET, JANUARY 1, YEARLY.

The condition of the company, (exclusive of capital account, which is closed,) is shown in the following statement :

	1864.	1865.	1866.
Earnings to date	\$2,187,625 34	\$4,271,699 66	\$6,512,443 29
Accounts current.....	210,242 07	802,361 23	200,118 12
Sales of real estate.....	14,790 00	39,0 0 25	43,080 25
Receivers of T. H., A. & St. L. R. R. Co.....	37,667 78	37,682 78	37,682 87
Total	\$2,459,325 19	\$4,650,823 93	\$6,793,319 44

Against which are charged—

Accounts audited to date.....	\$1,485,615 24	\$3,068,922 82	\$4,821,108 07
Paid charter liabilities	12,149 57	12,490 83	13,495 02
Profit and loss .....	.....	1,490 97	1,998 91
Accounts current.....	300,489 94	391,835 79	389,928 87
Bank of North America.....	661,070 54	205,647 80	.....
First mortgage coupons	Paid by Bank of N. Am. {	302,864 75	448,709 75
Second do pref.....		321,240 95	517,325 91
do do inc'me.....		211,207 79	323,941 91
Preferred stock dividends.....		111,123 67	234,311 00
Sinking fund.....		25,000 00	37,500 00
Total	\$2,459,325 19	\$4,650,823 93	\$6,793,319 48

GENERAL RESULTS OF OPERATIONS.

The following statement exhibits the gross earnings, the expenditures for operating and improvements and the net revenue for the years 1860-65 both inclusive :

Fiscal Years.	—Gross Earn'gs.—		—Expenditures.—		—Net Rev'e.—	
	amount.	per mile.	amount.	per mile.	amount.	p. mile.
1860.....	\$860,628	\$4,187	\$912,654	\$4,383	\$(loss)	\$....
1861.....	762,997	3,669	602,732	2,899	160,265	770
1862.....	1,140,271	5,482	756,591	3,637	383,680	1,845
1863.....	1,554,914	7,475	1,331,761	6,306	422,982	1,169
1864.....	2,084,474	10,019	1,583,307	7,612	500,767	2,407
1865.....	2,240,744	10,772	1,762,185	8,424	488,559	2,348

PRICES OF STOCK AT NEW YORK.

The monthly range of prices of the stocks of the St. Louis, Alton and Terre Haute Railroad Company at the New York Stock Exchange for the last three years have been as follows :

	Common Stock			Preferred Stock		
	1863.	1864.	1865.	1863.	1864.	1865.
Jan.....	80 @42	57 @64	40 @43	50 @71½	68½ @77	65½ @79
Feb.....	81½ @37	63 @73½	.. @..	68½ @72	77 @92	60 @78
March.....	29 @35	70½ @90	25 @85	65 @69½	87½ @101½	55 @77
April.....	81 @42½	65 @88½	25 @46	57½ @71½	82½ @108	60 @75
May.....	42½ @59	58 @67	35½ @88	73 @90	72½ @82	.. @..
June.....	41½ @51½	61 @69	30 @35	66½ @84	76 @82½	94 @94
July.....	41 @68½	58 @65	30 @36	69½ @85	71 @79	60 @80
Aug.....	55 @67½	59 @65	33 @36	82½ @88	77 @78	60 @82
Sept.....	55 @64½	51 @57½	36 @38½	75 @86	65 @92	63 @87½
Oct.....	59 @66	47 @57	35 @38½	82 @90	60 @74½	65 @71½
Nov.....	55 @65	51 @57	38½ @53	75 @82½	71 @76	71 @82
Dec.....	43 @65	46 @55	42 @44½	70 @78	70 @75½	70 @71
Year.....	29 @68½	46 @90	25 @53	50 @90	60 @101	55 @94

The company by which this road was constructed was incorporated under a special charter granted by the Legislature of Illinois, in an act passed Jan. 28, 1851, and in conformity with the provisions of the general law of Nov. 5, 1849. The *Terre Haute and Alton Railroad Company*, as it was originally called, was authorized to construct the road from the Indiana line west to Alton, on the Mississippi, and, with the assent of the Indiana Legislature, to extend it east to Terre Haute. Such authority was granted by the Legislature of the latter State by an act passed Feb. 11, 1851. The capital stock of the company was fixed at \$2,000,000, and the company were also authorized to borrow money on bonds, to bear interest not exceeding 8 per centum. Other acts were subsequently passed—one Feb. 12, 1853, authorizing an increase of the capital to \$4,000,000; another, Feb. 28, 1854, authorizing the construction of a branch from Paris, in a northwesterly direction, to the Indiana line, with power to take stock in any Indiana road with which such branch might be made to connect; and a third Feb. 14, 1855, which authorized a connecting road between the Terre Haute and Alton Railroad and the Chicago and Mississippi Railroad, and the leasing or purchase of the Bellevidere and Illinoistown Railroad, etc. The above laws, together with the general law of 1849, present the chief legal points connected with the affairs of this company. The charters of Illinois and Indiana required, as a preliminary to organization, a subscription of \$500,000 to the capital. To obtain this, the city of Alton and the counties through which the road was to pass, were appealed to, and responded with alacrity by liberal subscriptions; and the requisite amount having been obtained, the organization of the company was perfected in April, 1852. Immediately, therefore, the entire line of 173 miles was let to contract, to be completed by May, 1855, for \$3,000,000, seven-eighths in cash, and the remainder in stocks and bonds. The work of construction was commenced within the ensuing month, and by the end of the first fiscal year, June 1, 1853, the grading, masonry and bridging upon 98 miles had been completed, viz., from Alton to Hardinsburg, 11 miles, and from Terre Haute to the Chicago Branch of the Illinois Central Railroad, at a cost of \$455,049, and the iron, chairs, spikes, etc., for the entire length of the road purchased, and 9,000 tons delivered. The total costs of labor and materials had been \$1,788,549, and at this time the sum required to complete the road, 98 miles, was estimated at only \$390,000. The remaining portion of the line between Hardinsburg and the Chicago Branch was about to be finally located. The means employed to forward the work were a call of 30 per cent. on the capital stock and an issue of bonds, and credits furnished by the contractors. Other bonds had been prepared, but were not yet brought into the market for special reasons—one, and the most important of which, was the determination of certain parties to construct a parallel line from Terre Haute to St. Louis. This project, however, was negatived by the Legislature six different times, and ultimately died a natural death.

The resources of the company at this time consisted of subscriptions.....	\$2,025,000
Seven per cent. mortgage bonds negotiated in the purchases of rails.	1,000,000
And 8 per cent. mortgage bonds to be issued.....	1,000,000
Total	<u>\$4,025,000</u>

These two mortgages were secured on the whole line and equipment, and were convertible into stock. The second annual report of the company brings matters down to Jan. 1st, 1855. At this time the branch of the Belleville and Illinoistown Railroad was being constructed between Illinoistown and Alton. The new road, indeed, was expected to be completed simultaneously with the Terre Haute and Alton Railroad. The condition of the Terre Haute and Alton line was this: there were in actual operation 82 miles, viz: from Terre Haute westward about 45 miles, and from Alton eastward about 37 miles. The rails have been laid beyond those points, and parties were actively engaged in laying down the track, with a view of completing the road to the two junctions of the Illinois Central Railroad, from each end of the line, at the earliest practicable day. The line between Alton and Illinoistown was looked upon as a most promising adjunct to the Terre Haute line, and its only mode of access to St. Louis. The equipment owned by the Terre Haute company at this time consisted of nine locomotives, ten passenger cars, and 198 freight cars. The financial condition of the company showed the capital stock at \$2,948,950, of which \$2,281,420 had been paid in, and of the bonds \$1,256,000 of the \$2,000,000 provided had been issued. This left \$662,530 stock, and \$744,000 bonds for future use. But besides this a million more was required, which was obtained by increasing the amount of the second mortgage. During the year 1855 the road was opened from Grand River to Mattoon, 28 miles, and from Litchfield to Pana, 39 miles. On the 10th of March, 1856, the whole line was so far completed as to admit of the passage of a daily train, and on the 1st of April, succeeding, one freight and two passenger trains were placed upon the road. The results of the partial operation of the line from the 18th of November, 1854, to March 1, 1856, show the gross earnings to have been \$163,845.97, and the operating expenses \$81,964.67, or about 50 per cent. The sums thus realized were expended upon the road as earned and included in the construction account. Shortly after this date the contractors surrendered the road to the company in its unfinished state, and agreed that the cost to final completion should be deducted from the contract price.

The Belleville and Illinoistown Railroad before mentioned was incorporated under an act of the Illinois Legislature, passed Jan. 21, 1852, for the construction of a road from Belleville 15 miles to Illinois opposite St. Louis. This was completed in the Fall of 1854. Under a clause of this charter the road was extended from Illinoistown to Wood River Junction, a point on the Terre Haute and Alton Railroad $4\frac{1}{2}$ miles east of Alton, and opened in October, 1856. The great importance of this connection to the main line in furnishing an outlet for its business to St. Louis induced this company to acquire a controlling interest in the stock of the Belleville company. The extension formed part of the through line from Terre Haute to St. Louis, and was operated wholly as such from the commencement of its through business; while the lower portion, or Belleville Division, relied upon its coal and local traffic. On the 3d of October, 1856, a consolidation was effected between the companies thus so intimately connected in business, and thence; after the consolidation was known as the *Terre Haute, Alton and St. Louis Railroad Company*, which owned, besides the railroad, a large body of coal lands on the Belleville line, the St. Louis Ferry franchise, and privileges in St. Louis of large prospective value. The stocks and funded debts of the consolidation were as follows:

Terre Haute and Alton stock.....	\$2,972.00
Belleville and Illinoistown stock.....	485.74
Total stock.....	\$3,457.74
Terre Haute and Alton 1st mort. 7 per cent. bonds.....	\$1,800.00
do do do 2d do 8 do do	2,000.00
Belleville and Illinoistown 1st mort. 7 per cent bonds..	600.00
do do do 2d do 7 do do	500.00
Total bonds.....	\$4,900.00

—making a total of stock and bonds representing the capital of the consolidation \$7,270,800, or \$85,000 per mile of road only partially balasted, and by no means in good running order. This cost largely exceeded the original estimates, and yet the road could not be worked in its then present condition with economy. Hitherto, indeed, all the net earnings had gone into construction, and the same state of matters certain to continue unless additional resources could be called into requisition. With the view, therefore, to the proper finishing and equipping the line, and thus enable it to earn and pay dividends, the directors concluded to issue \$500,000 in 10 per cent bonds, which were taken by the stockholders, who paid therefor one-half in cash and the remainder in interest bonds. This brought partial relief to the company and supplied some of their more pressing necessities. The first report of the consolidated company embraces the ten months to December 31, 1856.

During this period the gross earnings had been.....	\$402.96
And the operating expenses.....	230.50
Leaving a balance of	172.46

—all of which was expended in construction. The general account remained nearly as in the previous March, only with the addition of the new bonds. The property was set down at \$7,596,716. The next report of the company brings down its affairs to May 1, 1858, and covers sixteen months. The period had been disastrous, and the result a large increase of debt and unpaid coupons, interest, &c. The net floating debt amounted to \$777,922. The road and rolling stock had also become dilapidated, and considerable expenditures would be necessary to make the road safe, even for travel. The annual interest to be provided for was now \$363,525, while the net earnings from which the payment was to be made had been in the sixteen months only \$175,858. The final result might now be foretold, and bankruptcy was imminent.

In this year, the income of the company was increased by \$66,000, that amount having been agreed upon for the use of its track between Alton and St. Louis by the St. Louis, Alton, and Chicago Railroad.

The next document issued on the part of the company was a circular dated New York, February 1, 1859. This exhibited the operating accounts for the fourteen months ending December 31, 1858, and the condition of the company at that date. No improvement was in either. Of \$42,066 earnings, only \$64,508 was available for interest, and \$234,449 was due and unpaid on the coupon account. In the mean time, repairs were becoming more and more urgent, and it was impossible to raise more money on credit. In June, a new directory was elected, who, on taking possession, found affairs in inextricable confusion. At a meeting of the bondholders in September, the whole matter was placed before them. The result of the consultations at this meeting was a series of resolutions directing the appointment of a committee of eight members. This committee reported in October, and the following general plan of relief was submitted:

The immediate surrender of the property to the trustees under the second mort-

gage—the property to be sold and the company to be reorganized on the following basis:

The first mortgages to remain intact, but one year's interest beyond the current coupons to be deferred until 1861–1862.

The second mortgage bonds to be exchanged for new bonds maturing 1892, and the new bonds to be given for the coupons up to March, 1862, and the holders to advance on the new bonds ten per cent. in cash.

The third and fourth mortgage bondholders to convert their holdings into preferred stock at par, upon condition of advancing ten per cent. as above.

The general creditors to be made preferred stockholders on the same terms.

Stockholders to receive 44 per cent. in new stock.

This plan was subsequently adopted in all material points. The principle alteration was in allowing 50 instead of 40 per cent. to the stockholders.

The trustees and receivers took possession of the property Dec. 12, 1859, and conducted the affairs of the company until June 30, 1862; and on the next day the new company reorganized under the title of the *St Louis, Alton, and Terre Haute Railroad Company*, came into existence, with property represented by the following bonds and stocks:

First mortgage, 7 per cent. bonds	\$2,200,000
Second " " " preferred	2,800,000
Second " " " income	1,700,000
Preferred stock, 7 per cent.	1,700,000
Common stock	2,200,000
Total representing cost of property	\$10,600,000

Hitherto the great drawback against the success of the companies that had held the road, had been the fact that the road had never been finished and equipped sufficiently to secure its economical working. In endeavors to complete the works and provide rolling stock for the business, offering the earnings, had been diverted from their legitimate objects and the credit of the companies involved, terminating in ruin and repudiation, and eventually in bankruptcy and reorganization. Nor did the reorganization wholly overcome these great obstacles to success, and still, though the property had, during the receivership, been greatly improved, much remained to be done before the works could be pronounced complete. The estimate of moneys required for this purpose was about \$800,000. The amount expended on construction and equipment account, from July 1, 1862, to Jan. 1, 1864, was \$469,828; in 1864, \$153,708, and in 1865, \$160,915, or a total in the three and a-half years from reorganization of \$784,446, all of which was derived from income. These expenses will probably be extended into the future; but as the earnings of the road have already become considerable, it is not improbable that at a not far distant date, the stock of the company will share in the profits. No default has been made in the bonds or preferred stock since the resumption under the auspices of the new company.

LEHIGH COAL AND NAVIGATION COMPANY.

In the following analysis the railroad and canal accounts of the company are consolidated. Their property is as follows:

Canal—Easton to head of navigation on the Lehigh River, two miles above Mauch Chunk	43 miles.
Railroad—Easton to Wilkesbarre, 91 miles	28 miles.
do Branch	0 do
do Leased road	6 do 24 do

The company own in connection with their canal 354 boats, and there are owned and run by other parties 1,036 boats.

The railroad equipment owned consists of—11 engines, 44 freight and 819 coal cars, rated as 8-wheel cars.

Connected with the mines there are also about 50 miles of railroad used specially for mining purposes.

The freight of all kinds (tons) carried on the canal yearly, has been as follows, viz.:

Year.	Asc'ding.	Desc'ding.	Total.	Year.	Asc'ding.	Desc'ding.	Total.
1856	188,965	1,843,921	1,482,886	1861	84,987	1,000,808	1,145,890
1857	96,580	1,042,070	1,140,450	1862	108,568	443,232	551,818
1858	91,786	1,034,974	1,126,760	1863	122,521	739,169	861,683
1859	116,714	1,190,874	1,307,118	1864	145,677	800,539	946,216
1860	139,608	1,208,767	1,338,375	1865	183,552	914,086	1,047,638

Previous to 1864 the railroad business was not given separately. The railroad, indeed, had hitherto been considered merely as an accessory to the canal and was nearly altogether out of use from the period of the great flood of 1862 to June, 1864, at which date the Penn Haven and White Haven Branch of the Lehigh Valley Railroad also was brought into operation. In June, 1865, that part of the Lehigh and Susquehanna Railroad between the Hazleton Railroad and the head of the canal, about six miles, was opened to trade in connection with it. The company are now constructing, or perhaps have completed, an independent road between Penn Haven and White Haven.

OPERATIONS OF THE COMPANY YEARLY.

The following shows the tonnage carried on the railroad between White Haven and Wilkesbarre since the reopening of the road :

	1864 (½ year.)			1865 (full year.)		
	Going north.	Going south.	Total tons.	Going north.	Going south.	Total tons.
Coal	18,195	94,980	113,175	85,478	251,968	337,444
Lumber.....	247	9,987	10,234	4,282	15,127	19,409
Cork wood & bark.....	.....	.....	..	...	68	68
Lime and limestone.....	.....	.....	....	102	....	102
Oth. stone, plast'r&c.....	.....	.....	....	40	364	404
Merchandise	571	135	706	222	24	246
Total tons.....	19,013	105,102	124,115	90,224	267,547	357,771
Passengers carried.....	18,566.....			26,333.....		

The coal going north was transported from the planes to the Wyoming Canal. The shipments of coal from Mauch Chunk, East Mauch Chunk, Penn. Haven, Lockport, and White Haven, by canal, with the distribution thereof for the years ending December 31, 1858-65, both inclusive, have been as follows :

Fiscal Years.	Tons Coals Shipped.	Distributed thus—			Dis'n from Del. Div. C.—		
		cons. on the line.	Passed into—		cons. on the line.	ent'd D. Div. C.	reached Bristol.
1858.....	908,900	114,587	Mor's C.	512,512	54,898	164,149	293,475
1859.....	1,050,659	188,779		600,506	41,342	201,419	293,745
1860.....	1,091,032	174,626		639,323	36,774	8 1,816	280,733
1861.....	994,705	139,875		582,102	26,171	267,347	288,564
1862.....	396,227	72,594		217,301	13,400	97,410	106,398
1863.....	699,557	114,164		376,996	24,419	196,559	150,016
1864.....	758,487	93,039		470,952	27,426	241,201	202,325
1865.....	888,784	82,235		588,736	28,930	399,067	160,739

INCOME ACCOUNT, EARNINGS, EXPENSES, ETC.

Year ending Dec. 31.	Rents and sales of R. Estate.	Coal sold and Mine rents.	Canal tolls, less collection.	Profits on Railroad.	Total receipts.
1856.....	\$27,142	\$137,989	\$699,626	\$.....	\$864,657
1857.....	30,031	81,787	481,472	.....	593,290
1858.....	24,053	105,592	466,212	.....	595,857
1859.....	31,616	186,009	454,463	.....	672,088
1860.....	72,569	196,611	481,118	.....	750,298
1861.....	18,614	107,626	402,106	.....	528,346
1862.....	26,159	89,112	165,457	.....	280,727
1863.....	25,880	759,680	346,729	20,405	1,152,694
1864.....	25,800	960,325	497,820	47,610	*1,563,535
1865.....	11,789	584,748	612,808	170,797	1,369,137

Against which are charged as follows, viz :

	State tax on stock.	Bal. of int. account.	Repairs and improvmts.	Divds and U. S. tax.	Balance to credit.
1856.....	\$7,440	\$175,019	\$237,176	\$148,744	\$296,278
1857.....	7,440	154,278	127,126	148,794	156,019
1858.....	7,440	159,795	84,758	148,794	195,071
1859.....	7,440	151,847	97,763	148,974	266,844
1860.....	7,440	134,188	82,091	148,797	379,805
1861.....	7,440	112,795	81,079	148,797	278,185
1862.....	7,440	116,047	553,792	148,797 [def. 648,725]	
1 63.....	7,440	121,670	229,057	148,797	645,730
1864.....	17,182	119,928	101,245	357,881	964,897
1865.....	23,467	189,145	105,635	542,272	519,618

CAPITAL ACCOUNT—GENERAL LEDGER.

The financial condition of the company at the close of the fiscal year 1856 to 1865, both inclusive, is shown in the following statements :

	Stock Capital.	—Funded Debt— Mort- gage.	Plain.	Float- ing. debt.	Interest and divid'ds unpaid.	Profits and Loss.	Total Liabili- ties.
1856.....	\$2,479,700	\$529,422	\$2,091,498	\$322,512	\$57,887	\$2,548,964	\$9,329,963
1857.....	2,479,900	829,222	3,091,498	286,202	59,258	2,704,983	9,451,063
1858.....	2,479,900	829,222	2,790,062	231,531	60,867	2,900,054	9,291,116
1859.....	2,479,950	829,172	2,790,062	263,823	60,271	3,166,898	9,592,116
1860.....	2,479,950	623,789	2,790,062	303,927	56,481	3,546,703	9,803,932
1861.....	2,479,950	.....	2,738,182	352,608	62,121	3,824,838	9,406,699
1862.....	2,479,950	.....	2,788,152	725,181	64,827	3,176,110	9,233,750
1863.....	2,479,950	.....	2,786,682	453,293	61,745	3,821,840	9,603,510
1864.....	4,282,950†	.....	2,846,882	1,200,321	67,580	3,983,237	11,350,920
1865.....	6,091,700	.....	3,081,434	1,256,477	64,833	3,502,854	13,997,318

Against which are charged property and assets as follows, viz.:

	Canal and river works.	Lehigh and Susq. RR.	Real estate, lands, &c.	Mov- able effects.	Con- tingent fund.	Cash on hand.	Total proper- ty, &c.
1856.....	\$4,455,000	\$1,380,000	\$1,406,654	\$1,074,296	\$965,067	\$45,966	\$9,329,963
1857.....	4,455,000	1,380,000	1,428,971	1,179,224	957,191	50,669	9,451,063
1858.....	4,455,000	1,380,000	1,453,273	942,339	983,139	77,405	9,291,156
1859.....	4,455,000	1,380,000	1,453,739	1,071,490	1,210,254	21,663	9,592,196
1860.....	4,455,000	1,380,000	1,452,365	1,132,462	1,335,033	49,067	9,803,932
1861.....	4,455,000	1,380,000	1,522,472	1,049,002	913,069	47,155	9,406,699
1862.....	4,455,000	1,380,000	1,619,366	900,841	795,647	82,896	9,233,750
1863.....	4,455,000	1,389,963	1,729,852	1,235,526	680,372	112,772	9,603,510
1864.....	4,455,000	1,917,895	2,072,985	2,128,112	640,952	165,976	11,350,920
1865.....	4,455,000	3,127,708	2,037,090	2,907,157	680,247	790,116	13,997,318

The column headed "Real estate, lands, &c." represents real estate, coal mines and other lands, mine railroads, &c., and the works at Philadelphia, &c.

The column "Movable effects," aggregates debts due, bills receivable, bonds and mortgages, &c.

The column "Contingent Fund," consists of securities specially pledged for the pay-ment at maturity of the loan of 1870, &c.

The "Funded Debt" is now constituted as follows, viz.:

6 per cent. loan, due March 1, 1870.....	\$414,157
6 per cent. loan, due April 1, 1884....	2,667,276

—the latter being a refunding of the original loan of 1870, anticipated in 1864.

The Lehigh Coal and Navigation Company, a consolidation of the Lehigh Coal and the Lehigh Navigation Companies, was organized May 1, 1821. As early as 1793 a company had been incorporated for the purpose of coal mining on the Lehigh. This Company had made some improvements in the river, but eventually abandoned the whole enterprise on account of the great cost of getting their coal to the seaboard. In 1818 a new company was formed with a capital of \$55 000 for the improvement of the navigation of the Lehigh, so as to allow the passage of boats laden with coal. The amount sent to market in 1820, which year may be regarded as the commence-ment of the anthracite trade, was 365 tons. The coal was floated down in rude

boats or arks which were broken up on reaching Philadelphia. In 1823 the stock of the Company was increased to \$500,000, and the river rendered navigable for 15 miles above Mauch Chunk. This improvement was mainly for the purpose of reaching valuable forests of pine. In 1827, the Mauch Chunk (Gravity) Railroad, the second railroad in the United States, was completed and commenced bringing coal to the river. In this year, the State having determined upon the construction of the Delaware Division of the Pennsylvania canals, the Company commenced the construction of a slack-water navigation with an available depth of five feet. This involved a succession of locks and dams which were completed in 1829. Other improvements were subsequently made, in all constituting a navigation from Wright's Creek to the Delaware River 72.27 miles in length, and a clearance of the river above Wright's Creek to Stoddardsville so as to permit of a descending navigation 12.80 miles in length. As finally completed the navigation was constituted as follows.

Kinds of Navigation.	Length in miles.	No. of Locks.	No. of dams.	Size of Canals.	Size of Locks.	Lift of Locks.	Height of dams.	Total Exc.
Blackwater — Delaware River to Mauch Chunk ..	10.00 pools 84.58 canals 1.64 locks	46	8	60 @ 5 ft top 45 ft bottom 5 ft deep	22 feet by 100 feet	6 feet to 12 feet	5 feet to 19 feet	301.5
Blackwater—Mauch Chunk to Wright's Creek	20.53 pools 4.67 canals 51.85 locks			6 1/2 feet top 40 ft bottom 5 ft deep	22 feet by 100 feet	10 feet to 30 feet	16 feet to 63 feet	504.3
Channels: descend naviga — Wright's Cr. to Stoddardsv.	12.80	3	3	18 in. deep	22 feet by 100 feet	3 feet to 4 feet	6 feet to 12 feet	35.5
Total.....	84.57	78	21					1,294.7

In 1831 the Gravity Railroad to Room Run mines, and in 1835 the extension of the works of the Company to the Beaver Meadow Region, were commenced. These were completed in 1838. The Lehigh and Susquehanna Railroad was commenced in 1837 and completed in 1840. Up to 1841 the company had been prosperous and paid dividends yearly. In that year their works were greatly injured by freshets. The cost of repairing them and improving the canal involved the Company in embarrassment which resulted in 1842 in bankruptcy, when the property was placed in trust for the benefit of the creditors. The principal provision of the deed was that no dividends should be paid so long as the principal or interest of any of the loans of the Company were due and unpaid, and in no case were these to exceed six per cent—any balance remaining to be held as a sinking fund for the redemption of the loans not due. No dividends were paid from Jan. 1840 to July, 1852 a period of twelve years, but the affairs of the Company had been gradually improving and in the latter year a six per cent dividend was paid. This rate was continued to 1861. In the next year 8 per cent was paid, and in 1865, 10 per cent.

The destructive freshets which have visited the Lehigh Valley at different times sweeping away every dam constructed by the company, have proved it to be almost a physical impossibility to maintain a constant navigation. Such a freshet occurred in 1868, and almost totally destroyed the entire works. Moreover, the navigation, at best, is open only a part of the year, being closed through the long winter. Fortunately, the railroad has superseded the canal, so that what was formerly a necessity is now acknowledged to be so no longer, and a railroad alone is now competent to do the business of the country. With the view of making the change indicated, the company have been authorized by the Legislature to construct a line from the Delaware to Whitehaven. This has been commenced and partially completed. The Beaver Meadow Railroad has also been taken by the company by consolidation. The new road will start from Phillipsburg, N. J., crossing the Delaware by an iron bridge

(already nearly completed) immediately above the bridge of the Lehigh Valley Railroad. On reaching the Pennsylvania side, after a pretty heavy cut, the line will strike the Lehigh, crossing up the opposite side within the borough of Easton. At Bethlehem and Allentown the company have authority to build bridges with branch lines to the western shore. The main stem will continue to follow the eastern margin of the river to a point one mile below Mauch Chunk, where it will cross over to the opposite bank and pass through that borough. About a mile and a half higher up it will recross to the eastern side, which it will continue to follow, most of the way, to Whitehaven. For short distances, the Lehigh Valley Railroad will run alongside the railroad of this company on the same bank, only on different elevations. For the present, the company are constructing but a single track and sidings. The design, however, is to follow this by a second track at an early day, when labor and materials become cheaper. Probably the single track will be open by the close of this year's navigation. The graduation is favorable, the steepest gradient below Mauch Chunk being under 25 feet, and from that place to Whitehaven not exceeding 32 feet to the mile. The curves are frequent and steep, especially in the neighborhood of Mauch Chunk and Allentown, where the river describes a series of loops, which must, however, be followed by any railroad entering the coal region through that route. At Whitehaven the new line will connect with the Lehigh and Susquehanna Railroad, the original road built by the company, and which will continue the line to Wilkesbarre on the Susquehanna. The quantity of coal now seeking markets by this route exceeds 62,000 tons a week, and it is estimated that this amount will be doubled when the works now being constructed are complete. If such be the result, a magnificent business is in prospect, both for the road and canal of this company, and also for the Lehigh Valley Railroad. To receive this tonnage there are now open three lines of railroad in New Jersey, besides the Delaware and Raritan and the Morris Canals, all terminating in New York waters.

CUMBERLAND VALLEY RAILROAD, (PA).

The Cumberland Valley Railroad consists of the original Cumberland Valley Railroad and the Franklin Railroad which were consolidated on May 31, 1865. The length of the constituents are as follows:

Cumberland Valley Railroad, Bridgeport to Chambersburg.....	111 1/2
Franklin Railroad, Chambersburg to Hagerstown.....	11 1/2
Total length of road.....	123 1/2
Length of sidings.....	1 1/2

This is almost entirely a local road, having no branches or connections, except at the eastern end, where it connects with the Harrisburg and Lancaster Railroad. It is, however, of great importance to the country it traverses, which is becoming substantially developed and wealthy. Eventually, it will be connected at Hagerstown, Md., with the Western Maryland Railroad and the Metropolitan, the first named road being nearly completed to the point of junction. The principal products on the line of the road and the chief materials of freight are coal, iron, and iron ores, lime and other stone, agricultural products, live stock, lumber, &c., &c. The equipment of the road has been largely increased, and at the close of each of the last three years was as follows:

	1862-3.	1863-4	1864-5.
Locomotive engines.....	12	12	14
Passenger cars.....	8	9	12
Baggage, Mail, and Express cars.....	4	4	5
Freight cars....	79	83	100

The following shows the number of miles run by engines hauling trains and the number of passengers and tons of freight carried in the same years :

	1862-3.	1863-4.	1864-5.
Mileage of engines.....	165,712	173,001	173,399
Passengers.....	256,926	309,959	338,944
Tons of freight.....	106,723	144,390	123,751

ACCOUNTS CURRENT—OPERATING AND INCOME.

The gross earnings, operating expenses, and profits from operations for the ten years ending September 30, 1865, are shown in the following statement :

Fiscal Year.	Gross earnings				Operating expenses.	Profits from op.
	Pass'r.	Freight.	Mall	Total.		
1855-56.....	\$63,752	\$90,805	\$5,200	\$159,757	\$80,662	\$79,095
1856-57.....	68,618	114,821	5,200	188,134	88,668	99,466
1857-58.....	61,775	88,649	5,200	155,624	79,371	76,253
1858-59.....	67,886	96,100	5,200	169,186	62,049	107,137
1859-60.....	70,177	107,296	5,200	182,673	65,851	116,822
1860-61.....	115,483	129,145	5,200	249,778	90,247	159,531
1861-62.....	90,815	144,252	5,200	239,767	90,123	149,644
1862-63.....	125,222	124,943	5,200	255,365	158,044	97,321
1863-64.....	185,646	154,604	5,200	345,450	201,052	144,398
1864-65.....	215,187	183,280	5,200	403,667	220,931	182,736

The receipts of the company from all sources, including balances in cash and accounts for the same years, were as follows :

Fiscal years.	Balance last year.	Receipts		Stock issued.	Other securities.	Total Amount.
		C. Val. R. R.	Franklin R. R.			
1855-56.....	\$31,221	\$159,757	.....	\$33,800	\$18,736	\$243,514
1856-57.....	50,753	188,134	.....	9,190	4,233	242,270
1857-58.....	45,702	155,624	.....	.....	2,291	203,617
1858-59.....	51,883	169,186	.....	.....	2,459	223,528
1859-60.....	59,604	182,673	\$6,251	.....	2,673	248,521
1860-61.....	56,393	249,778	16,816	.....	1,661	323,648
1861-62.....	121,742	239,797	34,210	.....	750	396,509
1862-63.....	69,377	255,365	37,752	.....	567	363,051
1863-64.....	89,396	345,450	48,401	.....	1,108	484,355
1864-65.....	161,101	441,620	17,508	.....	2,869	623,108

Against which are charged as follows, viz. :

Fiscal years.	Ord'y expenses		Extra-ordinary expen's.	Interest and divid's.	Sinking Fund.	Other Disbursements.	Cash &c., balances
	C. Val. R. R.	Franklin R. R.					
1855-56.....	\$80,662	.....	\$51,609	\$57,182	.....	\$3,254	\$192,707
1856-57.....	88,668	.....	47,684	70,666	.....	.....	157,028
1857-58.....	70,182	.....	9,089	72,463	.....	.....	151,734
1858-59.....	62,049	.....	16,848	86,437	.....	.....	165,334
1859-60.....	65,851	\$3,119	4,950	86,412	\$33,861	1,674	155,867
1860-61.....	90,247	13,366	5,273	87,356	6,663	.....	123,505
1861-62.....	90,123	19,177	.....	167,782	50,010	190	217,382
1862-63.....	158,044	17,436	.....	91,529	6,453	.....	273,462
1863-64.....	201,052	16,184	.....	14,579	21,463	.....	253,368
1864-65.....	220,931	12,546	.....	107,636	20,084	.....	361,200

GENERAL STATEMENT—ANNUAL BALANCE SHEET.

The balances at the close of each fiscal year, showing the financial condition of the company for the time being, have been as follows :

Fiscal years.	Capital stock.	Funded debt.	Div. & Int. accrued.	Sundry accounts.	Profits & loss.	Total amount.
1855-56.....	\$1,218,900	\$.....	\$33,251	\$5,610	\$18,937	\$1,276,708
1856-57.....	1,149,410	78,000	38,463	12,641	7,153	1,285,617
1857-58.....	1,013,900	213,500	42,342	5,470	17,114	1,292,326
1858-59.....	931,900	245,500	42,743	2,080	25,971	1,248,194
1859-60.....	956,900	270,500	43,865	4,494	20,810	1,296,569
1860-61.....	956,900	270,500	46,096	6,666	78,797	1,358,859
1861-62.....	956,900	270,500	46,096	10,449	100,611	1,384,556
1862-63.....	956,900	270,500	46,096	18,466	97,475	1,399,437
1863-64.....	956,900	373,600	49,379	12,113	236,933	1,628,925
1864-65.....	1,316,900	470,500	49,839	2,126	263,369	2,093,134

Against which the following charges appear, viz :

served at its nominal amount. The work was commenced and completed during the year 1849-50, and at the close of that year the cost was stated at \$1,212,912, represented by stock \$1,184,500 viz.: 1st pref. \$860,000, 2d preferred \$322,500 and common \$472,000, and debt \$28,412. By an act passed in 1856 authority was given to convert the preferred stock into 8 per cent bonds, which were taken to the extent of \$270,500 subsequent improvements and additional equipment have been mainly paid from earnings and the capital account stands at this time materially as at the close of 1850. The Franklin Railroad extending from Chambersburg to Hagerstown has been operated by the Cumberland Valley Company since its re-construction in 1860 and with the profit Company. On the 16th May, 1861, an act was obtained for the consolidation of the two companies which was not, however, carried into effect until May 31, 1865, since which date no separate operating accounts have been kept. The receipts on account of the Franklin in the statements given above show only the share of them coming to the Cumberland Valley Company being about one half. During the five years the road was operated under lease the receipts were \$160,988 and the expenses \$81,778, leaving a net profit of \$79,155. Probably no other local road in the country is doing so well as this which now pays 8 per cent on all its stocks and bonds and holds a large sinking fund and surplus.

CHESAPEAKE AND DELAWARE CANAL.

This work, though of short extent, is nevertheless one of the most important, and also one of the first canals constructed in the United States. The near approach of the two great indentations of the Atlantic coast, forming the Chesapeake and Delaware Bays, naturally suggested their connection by artificial means for commercial purposes, as well as for the maintenance of internal communication in time of war. So early as 1808 careful surveys had been made to ascertain the feasibility of the work; but it was not until 1824 that construction was commenced. The canal was completed and formally inaugurated in 1829.

The canal* as it now exists, extends across the neck of the Delaware Peninsula, entering the Delaware at Delaware City, 42 miles below Philadelphia, and the Chesapeake through Back Creek—a tributary of Elk River, a stream which enters Chesapeake Bay a few miles below the confluence of the Susquehanna River. Its length is 13.68 miles. In this short distance, however, many obstacles had to be overcome which greatly increased its cost above the original estimates. It was also a work in advance of the necessities of the times, and almost without connections, neither the canals of Pennsylvania, Maryland, nor New Jersey having as yet been brought into use. Baltimore and Philadelphia, however, were largely benefitted by it, and for many years it was the principal trade avenue between the two cities. But this was not a sufficient support for so costly a work, and, hence, for many years its revenues were comparatively small, and the finances of the company in an embarrassed condition; nor was it until some fifteen years after its completion that it earned enough to pay the interest on its debt.

The extension of canals and railroads in the adjoining States gradually augmented the business of the canal. By 1847 its revenues had so increased as to afford a pro-

* The canal has three lift locks—one of 16 feet on the Chesapeake side, and two of 8 feet on the Delaware side. The locks are 220 feet by 24 feet, and pass vessels drawing 9 feet of water. There is also a tide-lock at either terminus. Water is supplied by pumping engines. The canal is 10 feet deep and 68 feet wide.

pect that for the future the earnings would discharge the calls of the debt; and a proposition to convert the arrears, now amounting to \$798,592, into twenty year bonds, was acceded to by the bondholders. In 1853 and 1854 a further loan, amounting to \$400,000 was made for the construction of new locks, and in 1856 the original bonds of 1836, amounting to \$1,593,185, became due. The liquidation of so large an amount required a thorough re-organization of the financial basis of the company, and, to this end, a mortgage on the property was given for \$2,800,000, due in 30 years from July 1, 1856, into which all the liabilities of the company were subsequently consolidated.

The interest on the debt of the company has been paid regularly since the funding process of 1847, but the capital stock had always been unproductive. The business of the canal, however, was being more and more developed, and, by a provision of the mortgage of 1856, setting aside \$25,000 a year for the purchase and reduction of the debt, the principal had, by the end of the fiscal year 1865-66, become reduced by \$640,000, and the annual interest by \$38,400. This last sum is equivalent to an annual dividend of three per cent on the company's stock, and was appropriated to the payment of the first dividend ever declared by the company in June last. The business on the canal was largely increased during the period of the late war, and the general result of the four or five last years has been the placing of the company on a sound financial basis, which insures for the future regular interest on the debt, and as the principal of the debt is reduced, a corresponding increase in the rate of dividends.

The balance sheet of the Company, as of May 31, 1866, gives the following figures :

Capital Stock, including united, new, old and \$303,000 of stock issued under the mortgage of 1856	\$1,575,963 50
Mortgage Loan.....	2,356,509 58
Total.....	\$3,932,473 08
Cost of Canal (incl. of feeder \$110,925).....	3,135,917 44
Sinking Fund.....	240,511 03
Contingent Fund.....	87,060 00
Dividend Fund (incl. \$303,000 stock).....	518,994 61
Total.....	\$3,932,473 08

The following tables will show the business done on the Canal yearly for the ten years ending May 31, 1866 :—

VESSELS PASSED THROUGH THE CANAL, ETC.

	—Vessels Going—		Total.	Tonnage.	Tolls.
	Westward.	Eastward.			
1856-57.....	7,348	7,240	14,628	616,174	\$229,081
1857-58	6,535	6,323	12,858	563,510	207,008
1859-59.....	6,021	6,113	12,134	496,100	202,350
1859-60.....	6,411	6,299	12,710	623,150	216,255
1860-61.....	5,643	5,661	11,347	596,294	195,946
1861-62	5,750	5,913	11,713	501,359	231,555
1862-63.....	6,818	7,840	14,293	671,305	203,124
1863-64	7,780	8,177	15,417	782,670	269,113
1864-65.....	5,780	7,031	12,811	916,973	224,312
1865-66.....	5,215	6,230	11,496	729,918	250,940

PRINCIPAL ARTICLES CARRIED.

	Lumber. sq. ft.	Timber. cubic ft.	Grain. bushels.	Coal. tons.	Flour. bbls.	Groceries. pounds.	Dry Goods. pounds.
1856-57.....	65,144,450	2,899,700	1,908,359	202,983	201,391	36,641,696	14,755,419
1857-58.....	52,541,100	2,903,800	1,896,177	177,882	154,657	34,192,622	16,973,834
1858-59.....	35,648,230	2,151,540	1,065,422	175,144	100,510	34,358,372	26,812,665
1859-60.....	58,832,889	3,142,530	1,645,589	113,404	147,630	43,071,816	31,302,765
1860-61.....	55,079,996	3,184,971	1,277,114	104,680	192,226	43,800,594	31,591,894
1861-62.....	32,211,495	4,148,053	2,350,006	150,385	117,207	69,069,561	31,654,723
1862-63.....	59,600,460	4,023,985	2,882,807	176,773	180,101	59,834,730	20,155,800
1863-64.....	57,740,400	5,309,272	1,340,646	217,948	207,005	76,470,500	19,997,701
1864-65.....	33,597,000	7,037,000	866,409	340,781	167,850	67,419,400	14,671,000
1865-66.....	28,665,370	4,722,870	706,566	268,387	121,523	61,057,440	17,573,700

The amount of tolls received from the several kinds of vessels and from timber passed during the two last years is shown in the following statement:—

	Steamboat.	Sailing Vessel.	Barge.	Timber.	Total.
1865-66.....	\$154,244 66	\$75,793 68	\$63,963 88	\$54,912 22	\$350,999 94
1864-65.....	167,255 70	80,772 27	96,262 78	81,014 84	425,312 59
Deer.....	\$12,011 04	\$4,985 59	\$26,279 40	\$25,006 62	\$73,273 65

The expenses of maintaining the Canal in 1865-66 were \$127,668 08, leaving net earnings amounting to \$223,271 86, from which were paid interest, &c.

TOLLS IN DETAIL FOR SEVEN YEARS.

	1859-60.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Baltimore.....	\$79,153	\$70,890	\$95,674	\$112,953	\$147,093	\$169,706	\$177,73
Havre de Grace	34,379	37,959	25,324	37,988	34,160	25,146	24,53
Port Deposit	34,573	37,406	40,078	42,506	60,816	82,645	5,782
Norfolk, &c.....	5,880	4,925	....	1,116	613	1,577	2,08
Dist't of Columbia.....	9,742	9,608	34,756	60,015	80,462	85,112	44,34
Canal Levels.....	1,712	1,642	2,077	2,153	1,924	2,492	2,77
Chesapeake Bay. { Wood	10,627	9,303	4,870	2,769	4,328	3,479	4,23
{ Oysters	12,405	8,655	5,203	8,964	15,035	12,076	11,19
{ Fish.....	2,214	2,304	1,877	1,110	878	789	1,25
{ Merchandise.....	19,264	16,826	20,731	14,691	19,889	32,237	25,74
{ Empty Vess.....	2,165	1,559	1,964	2,858	4,404	5,743	4,88
Total.....	\$216,255	\$195,946	\$231,555	\$293,124	\$369,112	\$424,212	\$350,999

FINANCIAL AND COMMERCIAL CONDITION OF CHILE.

At a time when the republic is attracting the attention and sympathies of the world by her dignified attitude in defending herself from the aggression of Spain, the following information regarding her financial and commercial position will be found interesting. It is extracted from the report of the Minister of Finance, presented in August of last year to the Congress then in session. From that report, it appears that the public debt of the country as at 1st of January, 1866, would stand thus:

INTERIOR DEBT.

Consolidated three per cents.....		\$2,339,514
Floating debt bearing interest at 7.90 per cent.....	\$220,000	
Floating debt bearing interest at 7.75 per cent.....	143,000	
Floating debt bearing interest at 7.50 per cent.....	34,000	
Floating debt bearing interest at 8 per cent.....	139,159	542,159
Melggs' bonds, bearing interest at 6 per cent., with 4 per cent. amortization....		2,116,169
Loan of 1865, bearing interest at 8 per cent., with 8 per cent. amortization.....		2,000,000
Total.....		\$8,017,572
Average interest, 5.99 per cent. per annum.		

FOREIGN DEBT.

English loan of 1822, at 3 per cent. interest.....	\$7,361,500	
English loan of 1822, at 6 per cent. interest.....	1,112,500	
English loan of 1858, at 4½ per cent. interest.....	7,193,500	10,75,00
Average interest, 4.84 per cent., on a total of.....		
Grand total.....		\$18,75,12
—the average interest upon which is 5.5-100 per cent.		

Of the floating debt, a sum of \$200,000 was paid off in February last, and the balance will become due and be paid in August of this current year, except a sum of \$7,377, due only in 1867 for balance of purchase of shares in the Central Railroad, now the exclusive property of the Government.

THE ENGLISH LOAN OF 1858.

was negotiated through Messrs. Baring Brothers and was intended for the construction of the railways from Valparaiso to Santiago and from Santiago to

San Fernando. But in consequence of some political troubles in 1859 the funds proceeding from that loan were not immediately applied for the purposes generally contemplated, but were partly used by the Government for the pressing exigencies of the time in quelling the revolution, and partly loaned out in haciendadoes (farmers) and others, so as to be gaining interest during the time the revolutionary troubles lasted, and the works on the railways were suspended. This diversion of the funds from their legitimate object has been the fruitful source of all the financial troubles of the Government since that period, involving as it did, the payment of part of the railway contract for the completion of the road to Santiago in bonds instead of cash and causing deficits in the national balance sheet which culminated in the necessity for a loan of \$3,000,000, which was negotiated in 1865. The railways, however, were completed, and good faith was and has been kept with the English creditors. The contractor, Mr. Henry Meiggs, was paid partially in bonds, bearing interest at six per cent. per annum, and this explains the item of "Meiggs' bonds" in the interior debt. The Government is now the sole proprietor of the valuable line of railway from Valparaiso to Santiago (called the Central Railway), two-thirds owner of the line from Santiago to Sanfernando, and sole owner of that (not yet completed) from San Fernando to Curico ; and the value of these railways would be more than sufficient to pay off the entire national debt of the republic.

REVENUE AND EXPENDITURE IN TIME OF PEACE.

In the memorial of the Finance Minister, he estimated the total income for the financial year at \$11,198,839, and the expenditure at \$10,065,087, leaving a surplus of \$233,752. But in consequence of the war with Spain, the blockade of the Chilean ports, the suspension of the Custom House duties, the necessity of purchasing ships, guns, arms, and munitions of war, and all the other expenses and outlays incident to the equipment of fleets, augmentation of the army and prosecution of an active war, these calculations will now be altogether wide of the mark, and instead of surplus the Government will again have to contend with deficits, and ere the war is ended and peace restored the national debt will have increased by at least \$6,000,000 or \$7,000 000.

IMPORTS AND EXPORTS.

The imports of the country in 1864 amounted to \$18,867,345, which, although less than those of 1863 by \$1,420,152, were in excess of the average of last four years by \$552,902, and \$2,191,051 in excess of the imports for 1861.

The exports in 1864 amounted to \$27,242,853, of which the principal items were :

Copper in bars.....	\$9,506,957	Flour.....	\$2,321,000
Copper regulus.....	4,714,912	Wheat.....	1,039,071
Copper ores.....	1,268,588	Bar silver.....	1,638,272

As compared with 1861, the exports for 1864 give an increase of \$6,893,219.

The wonderful increase of the public revenue during the last forty years is demonstrated in the following proportion :

1823.....	\$1,770,761	1853.....	\$5,552,485
1843.....	3,001,220	1863.....	6,700,659

The revenue of the custom houses, which, at the time of the breaking out of

the revolution of independence, gave only a monthly yield of \$12,000, is exhibited in its uninterrupted increase by the following data :

Years.	Net product.	Propor. for each inhab.	Years.	Net product.	Propor. for each inhab.
1833.....	\$1,025,885	\$1 01	1853.....	\$3,258,540	\$3 25
1843.....	1,735,452	1 60	1863.....	4,259,534	4 51

THE COASTING TRADE,

being now thrown open to vessels of all nations, has increased to almost 60 per cent. in three years, as shown by the following statistics :

In 1861 it amounted to.....	\$16,696,921	In 1863 it amounted to.	\$25,012,79
In 1862 it amounted to.....	23,919,972	In 1864 it amounted to.....	25,592,32

These data show the rapidly increasing commerce and prosperity of the country. Indeed, it may be said of Chile that she is only standing on the threshold of her developments. With the railways made and now making, leading from the seaboard to her mines and rich agricultural districts, the limit to her progress can be bounded only by the supply of labor.

STABILITY OF THE REPUBLIC.

A nation whose exports are always in excess of its imports, whose mineral and agricultural wealth and unbounded resources are assiduously developed by an industrious and enterprising people, whose Government, institutions, and legislation guarantee that people in the peaceable possession and enjoyment of the fruits of their industry, and secure them that full freedom which ennobles a man and dignifies a State, must become progressive and occupy a position of stability, solvency, and endurance, from whatever quarter assailed, or from whatever quarter molested.

THE WAR WITH SPAIN.

Chile has been forced into a war with Spain and has accepted the issue of a conflict at a time when her people so little thought of war and were so much occupied with the enterprise of peaceful commerce that they had neither ships, guns, nor men to oppose to the formidable fleet sent to her ports by the enemy; but firm in the consciousness of the integrity of her own conduct and justly offended at the arrogant menaces and pretensions of the Spanish Admiral, she had no alternative but to vindicate her own dignity by an appeal to the grand arbitrament of war; a war which will probably involve the expenditure of many millions of dollars, but which will be cheerfully borne by the Government and people, in order to be done at once and forever with the overbearing and intolerable insolence and pretension of a power which at one time they had pride in speaking of as the mother country, but which now they despise and detest with a strength of hatred which is beyond expression.

THE LAST ENGLISH LOAN—THE STOCK AT A PREMIUM.

For the purpose of placing funds at the disposal of the Government agent in Europe, a loan of £450,000 was negotiated in London in March last on terms rather onerous, the Barings (the Government bankers) having declined to lend any money for war purposes. The terms of the loan were 90 per cent. issue, 8 per cent. interest, and the capital payable one-half in eighteen months and the other half in twenty-four months from the 15th of March last. Eight times the

amount required was tendered for on the terms mentioned, and the bonds have since gone up to a considerable premium on the London Stock Exchange. It is to be regretted that the urgency of the compromise for which the funds were necessary in Europe—being, no doubt, for purchase of ships or war material—gave so little time to the Government agent for negotiations that he was obliged to accept the best terms offered him at the moment. The loan, however, is of small amount, has been taken for a short term, was required for important purchases, and the difference of interest is trifling compared to the object gained; hence the nation is satisfied, but would be unwilling that such onerous terms should be considered as an index to the state of the national credit abroad.

TAXING THE SALES OF BANKERS.

OPINION OF JUDGE NELSON.

The following is the opinion of Justice Nelson, of the United States Supreme Court, on the question of taxing the sales of bankers, while acting as both bankers and brokers for their own account:

UNITED STATES CIRCUIT COURT.

Before Judge Nelson.

Clarke, Dodge & Co. *vs.* the United States and S. Shook, Collector, and S. P. Gilbert, Assessor. In June last a motion was argued by Mr. John E. Burrill, Counsel for Clarke, Dodge & Co., to continue an injunction to restrain the collection of taxes claimed by the Collector of Internal Revenue to be payable on sales of stocks and securities.

In the bill plaintiffs stated that they were bankers, duly licensed as such, and that their transactions were as follows:

1. They receive such securities for sale and discount, and in such cases make sales.
2. They lend and advance on such securities, and in such cases sell to reimburse themselves.
3. They buy and sell such securities on their own account.
4. In the fourth paragraph of the bill they stated that they received orders to buy, and in such cases bought in their own names and transferred to their principal on repayment, and in case of non-payment sold to reimburse themselves.

The Commissioner of Internal revenue claimed that plaintiffs were liable to pay taxes on all sales made by them in the classes of transactions above enumerated, and also that even if they would have been exempt from taxation on such transactions had they confined themselves to the business of bankers, the fact that they did business as brokers deprived them of that exemption, and subjected them to taxation in regard to all their sales, in the same manner as if they were not bankers.

In support of the application, affidavits were read, showing the course and custom of dealing in New York.

In opposition to the motion, Mr. S. G. Courtney, United States District Attorney, read an opinion of the Attorney General, and the instructions from the Commissioner of Internal Revenue to the Collectors and Assessors.

The Counsel for Clarke, Dodge & Co. made substantially these points:

1. The tax imposed by the 9th section of the Revenue Act is imposed upon brokers, and not on bankers.
2. The 73th section of same act expressly authorizes bankers to "receive stocks and securities for sale or discount," and to "lend and advance on such stock and securities," and this necessarily carries with it the right to sell the same, either to reimburse themselves or to discharge the duty to sell imposed by the receipt of such stocks for the purpose of sale.
3. That the transactions in the fourth sub-division of the bill mentioned were equally exempt, because:

- (a.) No tax is imposed on the purchase of stocks and securities, but only on the sales.
- (b.) When the purchase is made, no tax or duty is payable until the banker sells.
- (c.) In such cases, no sale is made unless by order of the principal or to reimburse the amount paid by the banker on the purchase; and, in either case, the transaction is within the category of "stocks received for sale, or on which loans or advances are made."

4. That the distinction between the banker and the broker is clear and well defined, and that, even if it should be that the transactions above mentioned were such as a broker might engage in, this did not convert the banker into a broker, or deprive the banker of his exemption.

5. That, even if the transactions in the fourth or other of the sub-divisions should be decided to form part of a broker's business, and taxable as such, this did not render the plaintiff taxable in respect to transactions which formed a part of the business of bankers.

6. That, by combining the business of a banker and broker, the banker did not lose the exemption to which he was entitled as banker.

7. That, even if the plaintiffs were taxable in respect to transactions had on account of others, this did not render them taxable on transactions made on their own account.

8. That the Supreme Court of the United States, in the case of *Fisk & Hatch*, decided the bankers were exempt from taxation upon all transactions as bankers.

9. That, in the case of *Cutting*, that Court decided that a broker doing business under the 9th paragraph of section 79 was liable to pay taxes on all transactions specified in that paragraph.

10. That the Supreme Court had *not* decided that a banker licensed under the first subdivision of section 79 was liable to pay any tax on the business for which he was so licensed, nor that where bankers engage in transactions on which brokers likewise engage, that they thereby lose such exemption as brokers.

The District-Attorney controverted these propositions; and, in addition to the oral argument, filed a printed brief, in which the questions were thoroughly discussed.

The following is the opinion of Justice Nelson, which was filed in the case:

The bill is filed in this case against the defendants, who are the assessors and collectors of the Thirty-second Collection District of New York, under the internal revenue laws, for the purpose of restraining them from the assessment and collection of a tax claimed to have accrued against the plaintiffs as bankers, doing business as brokers, within said district, under the following circumstances:

The plaintiffs have a license as bankers, and have from time to time received at their banking-house stocks, bonds and bullion for sale, and also have, during the same time, received bills of exchange and promissory notes for discount and sale, and did discount and sell the same, and for the account of the parties from whom received, and charged the customary commission as bankers; and also, during the time aforesaid, did, at their banking-house, lend and advance moneys to various parties, on stocks, bonds and bullion, and, after such advance loans, did sell said stocks, bonds and bullion, on account of the parties from whom the same were received, and to whom the moneys were lent and advanced, deducting from said sales the moneys so loaned and advanced, with the interest and customary charges as bankers; and also bought and sold stocks, bonds, &c., on their own account, and not on commission or for others. The tax claimed as having accrued out of the above dealings is 1-20th of 1 per centum, monthly on all the sales of the stock, bonds, &c., under the 99th section of the act (13 U. S. St. p. 17) which imposes the tax on brokers, and "bankers doing business as brokers." The question in the case is, whether or not the plaintiffs in carrying on the aforesaid business under a banker's license, are to be regarded as bankers doing business as brokers. The 1st subdivision of the 79th section (p. 251) enacts that bankers employing capital, not exceeding \$50,000, shall pay \$100 for a license, and two dollars for every thousand over this amount—and then define the term banker:—"Every person, firm, company, &c., having a place of business: (1) where credits are opened by the deposit or collection of money or currency, subject to be paid or remitted upon draft, check or order; (2) where money is advanced or loaned on stocks, bonds, bills of exchange or promissory notes; (3) where stocks, bonds, bullion, bills of exchange or promissory notes are received for discount or sale, shall be regarded a banker under this act." Besides the license fee exacted, the banker, under the 110th section, (p. 277,) pays a tax of 1-24 of 1 per centum monthly upon the average amount of deposits—1-24 of 1 per centum monthly upon the average amount of the capital of his bank beyond the amount invested in United States bonds—1-12 of 1 per centum monthly on the average amount of circulation if issued by any bank—and in addition, 1-6 of 1 per centum monthly on the amount of circulation beyond 90 per centum of the capital. The license fee and the above tax are the burdens imposed on the banker for the privileges conferred. Now among these is the privilege of doing the business set forth in the bill of complaint, and to which we have referred at large; and yet, it is claimed the plaintiffs are liable to the additional tax as brokers specified in the 99th section of the act. According to this construction the license or privilege of the banker would be of little value. He might, indeed, receive deposits and pay them out, advance or lend money on stocks, bonds, &c., but in case of default of repayment, he must not sell the pledge to reimburse himself—he may receive stocks, bonds, &c., for discount or sale, but is not at liberty to sell. If he does, it is insisted he instantly becomes a broker, and liable to the broker's monthly tax, in addition to the banker's, which he has already paid. We cannot agree to this view of the act. On the contrary, we are satisfied the banker is both, by express terms, as well as by necessary implication, empowered to carry on the business, authorized under his license, to its practical and useful results. That, when he is authorized to lend or advance money on stocks, bonds, &c., he has the right, in case of default in the repayment, to convert the security into money by way of reimbursement—and, when authorized to receive stocks, bonds, &c., for sale, he may sell the same without, in either instance, making himself a broker. The United States vs. *Fisk & Hatch*, decided at the last term, carried the privileges of the banker far beyond the present case: for it was there held that he could purchase and sell stocks, bonds, &c., for himself and on his own account, under his license—a business not specified in the definition of a banker. That case, in effect, decided that any business which a banker could carry on, as such, did not fall within the ninety-ninth section of the act. The case of the plaintiffs, as set forth in the fourth paragraph of the bill, is in substance as follows; That, in carrying on their business as bankers, they purchase stocks, bonds, &c., for others, but make the purchases in their own name, and advance their own money, and take the transfers in their own name, and hold the stocks as security for repayment by the persons for whom purchased; and, on receiving such repayment, interest and customary charges, delivers the stocks, bonds, &c., as per agreement—or, in default of repayment, they sell the same to reimburse themselves. This business is not carried outside the business of a banker, as defined by the act, but comes directly within that of a broker, and subject to the tax under the 99th section. But it is urged that if the plaintiffs, in any of their dealings in stocks, bonds, &c., are brought within the category of bankers doing business as brokers, their whole business, as bankers, is thereby brought within it, and subject to the brokers' tax; and this extraordinary proposition is supposed to be decided in the case above referred to. The 9th subdivision (p. 252), declaring who shall be a broker, is as follows:—"Every person, firm, or company, &c., (except such as hold a license as a banker) whose business it is as a broker to negotiate purchases or sales of stocks, bonds, &c., shall be regarded as a broker." The exception takes the banker out of the category of broker, and, to make it more clear what was intended by the exception, a proviso is added, "that any person holding a license as a banker shall not be required to take out a license as a broker;" meaning, obviously,

ely, that he may do business as a broker under his license as a banker. But, surely, there is nothing in the provision which thus permits the business both of a banker and broker to be carried on under the bankers' license that suggests the idea, or gives any countenance to it, that dealing in both capacities merges the banker into the broker, so as to subject all his dealings to the broker's tax. The fair and natural inference would seem to be the other way, namely, that the broker is merged in the banker. But, we suppose, the reasonable and proper conclusion is, that although the license of banker authorizes him to do the business of a broker without further payment of money, yet, so far as he may do that business, he is to be regarded as a broker, and must pay the broker's tax. This, we think, is not only the proper conclusion, but is confirmed by the language of the 93d section, imposing the tax on brokers, as follows: "That all brokers and bankers doing business as brokers shall be subject to pay the following duties," &c.; clearly enough implying that the banker, beside carrying on his own business, may also engage in business as a broker, but in such case, and as respects the business done as a broker, he must pay the tax imposed over and above what he has already paid as a banker. This view of the statute was taken in the case of the United States vs. Fisk *et al.*, and is stated in the opinion in a few words, "Now, a banker," says Mr. Justice Grier, "pays a much higher license-tax than a broker, and is permitted to prosecute or carry on the business or profession of a broker without paying any further license, but, if he prefers, he may not combine that business with his own." Without pursuing the case farther, an injunction must issue in conformity with the above opinion. If any difficulty arises in the settlement of this order, it can be referred to me.

John E. Burrill counsel for Clark, Dodge & Co.; S. G. Courtney, U. S. D. A., for defendants.

The Court also rendered decisions and opinions in another case submitted at the same time as follows:

Lewis Einstein *et al.*, vs. Sheridan Shook.—Nelson, C. J.—There is no question in this case not involved in the case of Clark and others against Gilbert and Shook, nor in any case heretofore before this Court; and that is, whether or not a banker, who purchases and sells stocks, bonds, &c., for others, and, therefore, falls within the category of a banker doing business as a broker, but who sells the stocks, bonds, &c., through intervention of a broker, is liable to pay the broker's tax under section 93. The argument is that the tax on the seller has already been paid by the broker called in and who actually made them. As this case came before the Court on short notice, at the close of the sitting, we will hear a re-argument on the point, and at the same time an explanation by affidavit, by either party, as to the mode and manner of conducting the business thus claimed to be exempt from the tax.

STOCK SALES AT PHILADELPHIA.

We have compiled the following table from the official lists of sales at the Philadelphia Stock Board for the first six months of the current year, showing the lowest and highest prices paid for each stock:

R. R. Stocks.	Jan.	Feb.	March.	April.	May.	June.
Cam. & Amboy..	125 1/4 @ 127	116 1/4 @ 21	115 1/4 @ 120	116 1/4 @ 120 1/4	120 1/4 @ 120 1/4	127 1/4 @ 124 1/4
Pennsylvania..	58 1/4 @ 57	54 1/4 @ 57	54 1/4 @ 55 1/4	55 1/4 @ 57	57 1/4 @ 54 1/4	54 1/4 @ 55 1/4
Reading	49 @ 53 1/4	49 1/4 @ 51 1/4	49 @ 50 1/4	49 1/4 @ 53 1/4	52 1/4 @ 55 1/4	54 @ 55 1/4
North Penn.	39 @ 39	38 1/4 @ 39	35 @ 37	36 @ 40	38 @ 38	39 1/4 @ 39
Lehigh Valley..	61 @ 61 1/4	60 1/4 @ 60	63 @ 63	61 1/4 @ 62 1/4	61 @ 62 1/4	62 1/4 @ 63 1/4
Minehill & S'kill						
Haven.	54 1/4 @ 55	54 1/4 @ 54 1/4	54 @ 54 1/4	54 1/4 @ 55	55 1/4 @ 55 1/4	55 1/4 @ 55 1/4
Norristown.	54 @ 55	54 @ 54 1/4	51 1/4 @ 51	53 @ 55	53 1/4 @ 55	55 @ 55 1/4
Phila. & Erie ...	29 1/4 @ 31 1/4	29 1/4 @ 31 1/4	27 @ 32 1/4	31 @ 31	30 @ 34	30 1/4 @ 34 1/4
Catawissa.	30 @ 31	23 1/4 @ 25 1/4	23 @ 23 1/4	30 @ 40	...	...
do prefe'd	30 1/4 @ 45 1/4	31 @ 38	27 1/4 @ 31	26 1/4 @ 23 1/4	26 1/4 @ 23	23 1/4 @ 25 1/4
Little Schuylkill.	39 @ 39 1/4	31 @ 33	26 @ 30	29 @ 31 1/4	34 @ 40	35 1/4 @ 40
N. Central.	44 @ 45	43 1/4 @ 44	44 @ 44 1/4	44 1/4 @ 45	43 1/4 @ 44 1/4	43 @ 43 1/4
Williamsport and						
Elmira.	27 @ 27	26 @ 26 1/4	27 @ 27	27 @ 30	26 @ 30	30 @ 30
do prefe'd	29 @ 30	29 @ 40	40 @ 40	41 @ 43	...	...
Long Island.	35 @ 35	...	37 1/4 @ 37 1/4	...	...	...
Phila. & Trenton	...	113 @ 114	...	113 @ 114	126 @ 125	116 @ 116
Phila. Wilm., &						
Baltimore. ....	...	55 1/4 @ 55 1/4	...	55 1/4 @ 55 1/4	...	55 @ 55
Canal Stocks.						
Delaware div.	3 @ 30	21 1/4 @ 35 1/4	3 1/4 @ 46	50 1/4 @ 51	51 @ 54	53 @ 55
Wyoming Valley. 3	57	...	55 1/4 @ 60	70 @ 70	...	...
Lehigh nav.	5 @ 55	51 1/4 @ 53 1/4	1 1/4 @ 52 1/4	53 @ 54 1/4	54 1/4 @ 58 1/4	54 1/4 @ 58 1/4
Schuylkill nav. ...	3 @ 34	53 1/4 @ 53 1/4	1 1/4 @ 32	26 1/4 @ 27	26 1/4 @ 27 1/4	26 1/4 @ 27 1/4
do prefe'd	3 @ 30	28 1/4 @ 30	1 1/4 @ 28 1/4	28 @ 25 1/4	28 @ 25 1/4	28 1/4 @ 31 1/4
Morris, consoli'd 7	75	95 @ 95	67 @ 75	75 @ 75	75 @ 75	80 @ 81
do prefe'd 11	114 1/4	114 @ 114	115 @ 115	...	...	120 @ 120 1/4
Calou.	3 1/4 @ 3 1/4	2 1/4 @ 3 1/4	1 1/4 @ 3 1/4	2 1/4 @ 2 1/4	...	...
do prefe'd	5 1/4 @ 5 1/4	4 1/4 @ 5	1 1/4 @ 4 1/4	...	...	...
Susquehanna.	10 1/4 @ 10 1/4	11 1/4 @ 14 1/4	1 1/4 @ 13	16 1/4 @ 16 1/4	15 @ 16 1/4	15 @ 15 1/4
West branch. ....	...	...	...	25 @ 25	25 @ 25	29 1/4 @ 29 1/4

The great bulk of the above stocks are quoted on half shares—the Camden and Amboy Railroad, Philadelphia and Trenton Railroad, and Morris Canal shares alone being full or \$100 shares.

RECEIPTS FOR CUSTOMS DURING YEAR 1865-66.

The receipts for duties on imports at the four principal ports of the United States during the fiscal year ending with June 30, 1866, were as follows:

	New York.	Boston.	Philadelphia.	Baltimore.
July, 1865.....	\$9,778,176 64	\$1,366,666 34	\$471,810 92	\$491,586 12
August, 1865.....	13,113,689 50	1,665,894 32	456,275 06	354,652 48
September, 1865.....	12,929,615 64	1,597,600 28	534,686 79	271,575 46
October, 1865.....	10,973,513 01	1,225,395 80	496,141 25	190,786 73
November, 1865.....	9,938,488 78	1,547,688 32	435,612 59	272,052 44
December, 1865.....	8,348,750 81	958,048 85	342,058 79	190,694 11
Total for six months.....	\$65,067,233 87	\$8,356,192 76	\$2,742,586 61	\$1,653,859 56
January, 1866.....	\$12,437,474 16	\$1,008,005 22	\$508,513 78	\$210,482 31
February, 1866.....	12,008,273 74	1,548,073 33	140,198 26	222,549 49
March, 1866.....	11,173,164 62	1,324,796 21	692,318 53	315,056 41
April, 1866.....	10,950,896 78	1,469,278 09	947,435 48	252,539 74
May, 1866.....	11,322,150 10	1,682,968 54	757,890 23	441,075 39
June, 1866.....	9,553,539 38	1,407,652 28	635,336 21	321,173 62
Total for the fis. year.....	\$132,522,722 65	\$16,792,987 43	\$6,616,271 08	\$2,676,021 41

It will be seen that the grand total of the receipts from all four ports for the fiscal year ending June 30, 1866, was \$159,608,014 02.

STATE DEBT OF NORTH CAROLINA.

The North Carolina State Convention has adopted the following ordinance, making provision for canceling a portion of the debt of the State, by exchanging the stock &c., of railroad companies held by the State in such manner as will satisfy the public creditors:

An Ordinance for Exchanging the Stocks of the State for Bonds issued before the year one thousand eight hundred and sixty-one.

Whereas, The destruction and depreciation of taxable property in North Carolina, arising out of the late unhappy war, has greatly increased the proportion borne by the public debt to the means which the State possesses for its payment; and, whereas, the people of North Carolina are solicitous fully to discharge their just obligations at the earliest possible moment, in any manner that shall be acceptable to their creditors; whereas, further, the stocks, liens, and other claims upon the railroad companies, and other corporations, are protracted by the bonds of the State, issued in great part before the twentieth day of May, in the year one thousand eight hundred and sixty-one, and now outstanding; and, whereas, due regard being had, as well to economy and other grave public interests, as to the rights of public creditors, it were good policy to exchange for the principal of such bonds, the stocks, and other property above mentioned, if such exchange can be made at par; therefore,

SEC. 1. Be it ordained by the delegates of the people of North Carolina, in convention assembled, That the Public Treasurer shall advertise, in such newspapers as he may select, and invite proposals for an exchange of the principal of any bonds issued by the State prior to the twentieth day of May, one thousand eight hundred and sixty-one, for certificates of stock and other interests held by the State in various corporations; such bids shall be opened by the Treasurer upon some day (of which he shall give due notice to them) in presence of the Governor of the State and the Comptroller of public accounts, and it shall be his duty to accept those terms which may be most advantageous for the State: Provided, That in no event shall any of the said stocks or other property be exchanged for less than their par value; and any premium which may be obtained upon such exchange shall be applied either to the extinguishment of coupons or other interest (if any) due upon the particular bonds accepted in exchange, or to a further discharge of the principal due upon other such bonds, or interest, it may be, as an alternative, at the discretion of the Treasurer, be paid in currency into the Treasury and charged to the public fund.

SEC. 2. As soon as may be practicable after the acceptance of any bid, the public Treasurer shall receive the bonds offered in exchange, and in the presence of the Governor and Comptroller shall cancel the same; it shall also be his duty to transfer the stocks and execute such conveyances of the other interests hereinbefore mentioned as shall be deemed necessary; such conveyances to be in a form approved of by the Governor and the Attorney-General: Provided, however, That the interest to be acquired by any such purchaser or assignee of any stock now held by the State shall not be other than that of the holders of a like amount, in the general stock of the several and respective corporations in which the State may be a corporation.

SEC. 3. It shall be the duty of the Comptroller to take a minute of what may be done by the Public Treasurer in the premises, and to make therefrom such entries in the books of his office as may secure a just accountability on the part of the Treasurer because of the transactions hereinbefore mentioned.

SEC. 4. The Public Treasurer shall make special reports upon the subject of this ordinance to the General Assembly at every session, and this ordinance shall be subject to repeal or modification by the General Assembly.

[Ratified in Convention the 16th day of June, A.D. 1866.]

JAMES H. MOORE, Secretary.

EDWIN G. READE, President.
R. C. BADGER, Assistant Secretary.

I do hereby certify that the foregoing is a true copy of the original on file in this office.
Given under my hand the 27th day of June, A.D. 1866. H. W. BERT, Secretary of State.

THE UNITED STATES DEBT.

We give below the statement of the public debt, prepared from the reports of the Secretary of the Treasury, for May 1, June 1, and August 1, 1866 :

DEBT BEARING INTEREST IN COIN.

Denominations.	May 1.	June 1.	Aug. 1
5 per cent. due December 31, 1867.....	\$9,415,250	\$9,415,250	\$9,415,250
do July 1, 1868.....	8,908,342	8,908,342	8,908,342
do January 1, 1874.....	20,000,000	20,000,000	20,000,000
do January 1, 1871.....	7,022,000	7,022,000	7,022,000
do December 31, 1880.....	18,415,000	18,415,000	18,415,000
do June 30, 1881.....	50,000,000	50,000,000	50,000,000
do June 30, 1861, exc'd for 7.30s.....	139,313,150	139,314,340	139,302,100
do May 1, 1867-82 (5.20 years).....	514,780,500	514,780,500	514,780,500
do Nov. 1, 1870-85 (5.20 years).....	100,000,000	100,000,000	100,000,000
do Nov. 1, 1870-84 (5.20 years).....	71,003,500	80,784,500	127,549,150
do March 1, 1874-1904 (10.40s).....	171,219,100	171,219,100	171,219,100
do July 1, '81 (Oregon war).....	1,016,000	1,016,000	1,016,000
do June 30, 1881.....	75,000,000	75,000,000	75,000,000
Aggregate of debt bearing coin interest.....	\$1,130,236,342	\$1,195,825,192	\$1,242,628,442

DEBT BEARING INTEREST IN LAWFUL MONEY.

5 per cent Temporary Loan)			
do do { 10 days' notice.....	131,497,854	\$124,561,486	\$118,065,470
do do {			
do Certificates (one year).....	62,620,000	43,025,000	....
do One and two-years' notes.....	6,036,900		
do Three years' com. int. notes.....	167,012,141	162,012,140	156,012,140
do Thirty-year bonds, (gen'l Pacific R.).....	2,312,000	2,362,000	} 6,042,000
do do (Union Pacific R. E. Div.).....	2,272,000	2,130,000	
do Three years' treasury notes, 1st series.....	818,044,000	812,221,600	798,949,350
do do do 2d series.....			
do do do 3d series.....			
Aggregate of debt bearing lawful money interest.....	\$1,183,313,545	\$1,147,222,226	\$1,079,668,960

DEBT ON WHICH INTEREST HAS CEASED.

Debt on which interest has ceased.....	\$877,780	\$4,900,430	\$4,670,160
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DEBT BEARING NO INTEREST.

United States Notes.....	\$415,164,318	\$402,128,318	\$400,361,728
Fractional currency.....	28,192,017	27,834,965	26,684,139
Currency.....	\$443,356,835	\$429,463,283	\$427,045,867
Gold certificates of deposit.....	9,036,420	22,568,820	16,403,180
Aggregate of debt bearing no interest.....	\$452,392,755	\$452,031,603	\$443,449,047
Amount in Treasury—			
Coin.....	\$76,676,407	\$50,678,953	\$61,322,127
Currency.....	61,310,622	79,011,125	75,993,206
Total in Treasury.....	\$137,987,029	\$129,691,083	\$137,317,333

RECAPITULATION.

Debt bearing interest in coin.....	\$1,186,092,842	\$1,195,825,192	\$1,242,628,442
Debt bearing interest in lawful money.....	1,188,313,545	1,147,222,226	1,079,668,960
Debt on which interest has ceased.....	877,780	4,900,430	4,670,160
Debt bearing no interest.....	452,392,755	452,031,603	443,449,047
Aggregate debts of all kinds.....	\$2,827,676,872	\$2,799,479,451	\$2,770,416,609
Cash in treasury.....	137,987,029	129,691,083	137,317,333
Amount of debt, less cash in Treasury.....	2,689,689,843	2,670,288,368	2,633,099,276

LEGAL TENDER NOTES IN CIRCULATION.

One and two years' 5 per cent notes.....	\$6,036,900	\$	\$
United States notes (currency).....	415,164,318	402,128,318	400,361,728
Three years' 6 per cent compound interest notes.....	167,012,141	162,012,140	156,012,140
Aggregate legal tender notes in circulation.....	\$588,213,359	\$564,140,458	\$556,373,868

COMMERCIAL CHRONICLE AND REVIEW.

Atlantic Telegraph—Rates for loans and discounts—Prices Railroad and other Stocks—Corns of Exchange—Prices of Governments—Price of Gold each day—Treasure Movement.

Very little business has been done the past month, the city exhibiting the usual midsummer quiet. The great feature of interest has been the completion of the Atlantic Telegraph, and although the messages that have as yet passed over it are few, enough has reached us to convince even the most sceptical that the cable has been successfully laid and is working admirably. That this sub-Atlantic wire is to work a decided change in commercial transactions with the Old World must be admitted, but the "revolution" that is predicted will be gradual in its coming, and only be fully developed when other lines are laid. The single cable now thrilling beneath the waves of the North Atlantic can never be relied upon to keep up full and continuous telegraphic communication between the New World and the Old. Still, the fact has been demonstrated that a line can be laid and made to work.

Although the fall trade has not begun, manufacturing for that trade has been active; in most branches of business the supply of goods is ample. Towards the close of the month the representatives of the Southern markets arrived in the city in numbers, indicating the probability of a comparatively liberal trade being transacted with that section. In the meantime the money market has been easy and below are the current rates for each week:

RATES OF LOANS AND DISCOUNTS.

	July 6.	July 13.	July 20.	July 27.
Call loans	4 @ 5	5 @ 6	5 @ -	4 @ 5
Loans on Bonds and Mortgage	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos	5 @ -	5½ @ -	5 @ 5½	5 @ 5½
Good endorsed bills, 3 & 4 mos.....	5½ @ 6½	6 @ 7	6 @ 6½	6 @ 7
" " single names	7 @ 8	7 @ 8	7 @ 8	7 @ 8
Lower grades	10 @ 12	10 @ 12	10 @ 12	10 @ 12

It is worthy of note that fewer new firms were established at the beginning of last month than has been usual at that period. The times are not encouraging to new enterprises. The country is still in an unsettled condition; the public finances have yet to undergo changes, which may affect business; we are far from a specie basis; and, above all, prices range so high that a decline in the value of every species of property would seem inevitable. It is, therefore, not surprising if, at present, there is a prevailing indisposition to establish new business enterprises. The quiet of general trade has, however, afforded an opportunity for stock speculation. The bank deposits have increased; a large amount of currency has been paid out of the Treasury on account of the redemption of Certificates of Indebtedness, and the July coupons on Seven-thirty notes; and money has, consequently, been easily available to stock dealers at 4½ per cent. The month which ordinarily is dull, above all others, has this year been one of very unusual activity in railroad speculation. The unexpectedly large traffic of the roads since the suspension of the military transportation connected with the war, and the reopening of the Mississippi, have very much strengthened confidence in railroad stocks as an investment. This improved tone of feeling

has been turned to account by the brokers, and the result has been a general and large advance in the price of stocks. the following are the closing quotations each week for leading stocks :

	June 15.	June 22.	June 29.	July 6.	July 13.	July 20.	July 27.
Cumberland Coal.....	....	....	45	45½	46	....	46
Quicksilver .....	....	50½	47½	47½	51	51	53
Anton Co.....	60	59	54½	55½	....	58½	58
Mariposa pref.....	24	23	22½	23½	23	22½	23½
New York Central.....	98½	98½	98½	99½	99	104½	104½
rie	61½	59½	61½	68½	74½	65½	64½
Madson River	110½	111½	....	....	114½	116	120
Reading.....	109½	108½	109½	x d 107½	106½	110½	111½
Michigan Southern	79½	79	78½	80	81½	82½	83½
Michigan Central.....	109	108	....	x d 105½	....	....	110
Cleveland and Pittsburg.	82	84½	82½	83½	84½	84½	84½
Cleveland and Toledo....	105	106½	106½	108½	109½	110½	112½
Northwestern	80½	80½	80	81½	84½	85½	85½
" preferred..	59½	58½	59½	61½	68½	61½	64½
Rock Island	94	95	94	96	96½	97½	99½
Port Wayne	97½	98½	98½	97½	98½	99½	101½
Illinois Central	122	120½	121	121½	122½	124½	x d. 120

In anticipation of the war in Germany, we expressed a confidence that hostilities would, ultimately, cause an increased demand for our bonds in Europe. That result has already appeared. During last month, the exports of Five-twenty's were on a very large scale, the amount sent to Europe being probably much in excess of the total returned in anticipation of the war. The heavy shipments of bonds have aided us in adjusting our balances with Europe, which, with maturing obligations largely in excess of the current exports, would otherwise have caused a severe drain of specie, with material fluctuations in the premium on gold. As a consequence of this movement there has been a steady decline in the rates of foreign exchange, the month closing with quotations for bankers' sterling bills, 60 days' sight, at 107½@108½—a rate about 1½ per cent. below the present specie shipping rate. The following table shows the daily fluctuations of exchange (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for July, and the total range for the first seven months of 1866 :

COURSE OF EXCHANGE FOR JULY.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	108 @108½	520 @512½	40 @41½	77 @79	86 @86½	74 @75
2.....	108 @108½	520 @512½	40 @41½	77 @79	86 @86½	74 @75
3.....	108 @108½	520 @512½	40 @41½	77 @79	86 @86½	74 @75
4.....	108½@108½	517½@510	40½@42	78 @79	86½@87	74 @75
5.....	108½@108½	517½@512½	40½@41½	78½@79	86½@87½	74 @75
6.....	108½@108½	517½@512½	40½@41½	78½@79	86½@87½	74 @75
7.....	108½@108½	517½@512½	40½@41½	78½@79	86½@87½	74 @75
8.....	108½@109	516½@508½	40½@41½	78½@79	86½@87½	74 @75
9.....	108½@109½	517½@508½	40½@41½	77 @79	86½@87½	74 @75½
10.....	108½@109½	517½@508½	40½@41½	77 @79	86½@87½	74 @75½
11.....	108½@109½	515 @508½	40½@41½	78½@79	86½@87½	74 @75
12.....	109½@109½	517½@507½	40½@41½	77 @79	86½@87½	74 @75½
13.....	109 @109½	517½@507½	40½@41½	77½@79	86½@87½	74 @75½
14.....	109 @109½	517½@507½	40½@41½	77½@79	86½@87½	74 @75½
15.....	109 @109½	517½@510	40½@41½	77½@79	86½@87½	74 @75½
16.....	109 @109½	517½@510	40½@41½	77½@79	86½@87½	74½@75½
17.....	109 @109½	517½@510	40½@41½	77½@79	86½@87½	74½@75½
18.....	109 @109½	515 @510	40½@41	78½@79	86½@87½	74 @74½
19.....	108½@109½	517½@511½	40½@41½	77½@79	86½@87½	73½@75
20.....	108½@109½	516½@511½	40½@41	78½@79	86½@87½	74½@74½
21.....	108½@109	517½@518½	40 @41	78½@79	87 @87½	73½@74
22.....	108½@109	520 @515	40½@41	78½@79	87 @87½	73 @74
23.....	108½@109	520 @515	40½@41	78½@79	87 @87½	73 @74
24.....	108½@109	520 @518½	40 @41	78½@79	86½@87½	73 @74
25.....	108½@108½	520 @518½	40 @41	77½@79	86½@87½	73 @74
26.....	108½@108½	520 @518½	40 @41	77½@79	86½@87½	73 @74

COMMERCIAL CHRONICLE AND

Atlantic Telegraph—Rates for loans and discounts—Prices Rail
of Exchange—Prices of Governments—Price of Gold each day
has been done the past m

Very little business has been done the past usual midsummer quiet. The great feature of the Atlantic Telegraph, and although the over it are few, enough has reached us to convince the cable has been successfully laid and is Atlantic-wire is to work a decided change. Old World must be admitted, but the gradual in its coming, and only be fully single cable now thrilling beneath the relied upon to keep up full and complete communication between the New World and the Old. can be laid and made to work.

Although the fall trade has been active; in most branches of commerce, close of the month the receipts were in numbers, indicating a heavy transaction with that set of countries, and below are the currencies of the world, which would all be in the hands of the people, and the confidence in our bonds in Europe being probably the same.

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A premium has been comparatively steady during the month, in part to the diversion of speculation from the Gold Room to the Stock Exchange. The continued export of specie, and a large demand for the payment of duties on goods withdrawn from bond, upon the expectation that the additional duties imposed under the new tariff would apply to goods in warehouse, have sustained the premium against influences otherwise tending to depress it. The highest price reached during the month was 155, and the lowest 147, the closing quotation being 149. The following table gives the opening, highest, lowest and closing prices for each day of the month,

COURSE OF GOLD FOR JULY.

	Lowest.	Closing.	Data.	Open'g.	High'st.	Lowest.	Closing.
			Friday	20 150%	150%	149%	149%
			Saturday ..	21 149	150%	148%	150%
			Sunday	22			
			Monday	23 151%	151%	150%	1 0%
			Tuesday	24 150	150%	150	150%
			Wednesday ..	25 150	150%	149%	150
			Thursday	26 149%	150	149%	149%
			Friday	27 140%	150%	149%	151%
			Saturday	28 150%	150%	150	150
			Sunday	29			
			Monday	30 147	147%	147	147%
			Tuesday	31 148%	149%	148%	149
			Wednesday ..		154%	155%	147
			Thursday		141	146%	188%
			Friday		222	285	25%
			Saturday		144%	145	123%
			Sunday		109	120%	108%
			Monday		100	100	100

Amount in Banks at

In banks		Certificates		In banks
Issued.	Returned.	Issued.	Returned.	at close of week.
\$3,122,440	\$1,34,8832			\$15,778,741
8,206,180	1,578,194			16,852,568
2,706,400	1,928,641			15,265,378
2,598,400	2,187,018			18,106,759
2,081,280	2,221,423			10,987,474
1,916,700	2,376,785			10,129,406
2,892,900	2,158,009			10,308,758
5,893,280	1,995,796			14,213,351
2,125,000	2,664,984			17,191,190
2,101,000	1,706,835			16,563,287
1,498,400	1,919,483			15,015,243
861,280	1,886,419			13,945,651
1,876,000	1,895,384			11,890,308
8,16,840	2,120,100			11,496,296
5,038,400	2,274,704			11,085,120
4,000,000	1,971,568			9,495,403
4,137,140	1,760,307			8,248,987
4,633,000	2,227,181			10,914,997
8,110,000	1,948,891			18,970,403
2,842,000	2,069,814			13,595,465
9,177,000	1,929,454			19,376,929
1,327,000	1,911,815			28,568,093
2,660,000	1,843,007			15,821,668
8,719,000	1,788,621			11,217,806
2,793,000	1,809,676			8,504,036
3,232,000	2,309,264			7,797,218
4,174,000	2,081,626			9,845,206
3,614,400	2,182,226			12,451,684
2,452,000	2,187,149			10,840,140
2,120,000	2,548,894			9,701,547

1,655,481 (this amount arrived July 31.)

Jan 1..... \$23,173,016 51,291,597 78,037,848 93,216,140 61,811,110 \$.....

The following table, compiled from the records for the past seven months of the current year, and for the same months of the previous seven years, shows the general results of the import and export of treasure at this port :

	New Supply.			Exports to for. ports.	Excess of	
	California.	Foreign.	Total.		Supply.	Export.
Jan. 1 to July 1, 1880	\$1,485,816	\$72,771	\$1,558,087	\$2,546,236	\$.....	\$988,149
Jan. 1 to July 1, 1879	3,613,000	172,122	3,775,122	1,787,029	1,988,093	.....
Jan. 1 to July 1, 1878	3,958,290	285,854	4,244,145	1,085,039	3,209,106	.....
Jan. 1 to July 1, 1877	1,539,321	161,817	1,701,138	554,654	1,146,484	.....

May.....	3,667,596	393,073	4,060,669	23,833,573	.....	11,73,33
June	2,166,823	116,952	2,283,775	15,736,307	.....	12,62,32
July.....	6,754,669	101,003	6,855,672	5,801,459	1,054,213	.....
Jan. July, '66	\$23,175,015	\$1,303,592	\$24,478,6 8	\$51,224,597	\$.....	\$31,31,34
do do '63	10,035,137	1,319,163	11,354,290	18,630,745	.....	17,63
do do '64.....	6,534,216	1,555,066	8,089,282	31,090,450	.....	21,50,14
do do '68.....	8,022,940	1,036,013	9,058,953	25,900,850	.....	14,50,17
do do '62.....	13,943,535	790,556	14,674, 91	36,034,658	.....	21,32,37
do do '61.	21,173,405	32,906,166	54,081,571	3,290,456	50,521,113	.....
do do '60.....	19,810,150	756,182	20,566,332	23,242,826	.....	17,12,10
do do '59.....	21,144,739	1,301,032	22,445,821	43,243,391	.....	22,03,15

It will be seen from this compilation that the receipts of California gold during July have reached the very extraordinary total of \$6.754.669. The exports to foreign countries have been 5.801.459. against \$15,736,307 in June, and \$11.833,873 in May. The excess of receipts over exports is thus \$1,054,213. For the first seven months of the year, the exports show an excess of shipments over receipts of \$26.815,989, which is nearly ten millions more than the average excess of exports for the same period of the preceding four years.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

New York City Bank returns—Returns of the Boston and Philadelphia Banks.

We give below the bank returns of the three cities. Those for Boston are incomplete again, since the Traders' Bank failed the last week of the month to make returns in season.

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tenders.	Ag. clear's
Jan. 6, 1866...	\$233,185,039	\$15,773,741	\$18,538,428	\$195,462,254	\$71,617,467	\$370,612,222
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	73,019,957	380,912,571
" 20.....	239,887,726	15,263,327	20,473,707	198,816,248	72,749,669	389,948,322
" 27.....	240,407,836	13,106,759	20,963,833	195,012,454	70,319,146	385,322,022
Feb. 3.....	242,510,832	10,937,474	21,494,234	191,011,695	68,796,250	380,267,121
" 10.....	242,608,873	10,129,806	22,240,469	188,701,463	68,436,013	381,371,123
" 17.....	243,068,252	10,808,758	22,923,274	189,777,290	64,302,960	371,443,523
" 24.....	239,776,209	14,213,351	22,959,918	183,241,404	61,602,736	371,131,400
Mar. 3....	235,339,412	17,181,130	22,994,186	181,444,378	58,780,146	365,539,379
" 10.....	233,168,274	16,563,237	23,033,237	180,515,681	64,341,802	364,301,123
" 17.....	233,517,373	15,015,242	23,303,057	175,438,707	68,402,764	367,213,539
" 24.....	234,500,518	13,945,651	23,243,406	165,868,245	69,496,063	369,404,344
" 31.....	237,316,099	11,930,392	23,726,534	163,554,592	72,156,199	365,340,699
Apr. 7.....	242,643,753	11,486,115	24,117,011	169,094,961	71,445,015	362,313,788
" 14.....	244,019,859	11,035,129	24,533,981	163,153,469	73,910,370	367,307,223
" 21.....	242,067,063	9,495,463	24,045,857	196,804,573	77,602,693	365,501,723
" 28.....	241,017,699	8,243,937	25,377,280	202,713,574	80,569,032	365,539,468
May 5.....	238,974,134	10,914,997	25,415,677	210,373,303	81,304,447	369,532,777
" 12.....	257,621,317	13,970,402	24,693,259	217,552,853	85,040,669	372,535,346
" 19.....	255,690,463	13,595,465	25,159,864	217,427,729	85,710,707	372,302,600
" 26.....	257,929,543	19,726,929	26,223,867	208,977,905	73,839,947	372,351,444
June 2....	250,459,122	21,858,093	26,344,155	193,121,289	69,163,169	372,313,446
" 9.....	249,538,959	15,821,663	25,967,253	202,503,949	74,033,674	369,468,223
" 16.....	247,301,547	11,217,315	25,897,876	202,415,673	73,173,394	369,468,223
" 23.....	248,436,308	8,504,096	26,535,394	201,969,263	80,540,573	369,468,223
" 30....	250,884,168	7,797,215	26,706,629	204,357,272	81,832,849	369,468,223
July 7.....	257,534,833	9,865,266	27,296,530	205,799,611	79,541,633	371,382,844
" 14..	259,133,434	12,451,684	27,404,173	207,160,043	75,541,977	371,382,844
" 21.....	255,965,013	10,860,147	27,579,020	213,049,079	80,634,999	369,468,223
" 28.....	256,612,071	9,701,046	27,249,813	214,582,926	84,705,214	369,468,223

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,329	\$45,941,001	\$390,823	\$7,223,299	\$35,361,246
" 8.....	17,236,320	46,774,150	983,685	7,319,533	36,673,094
" 15.....	17,267,412	47,350,423	1,007,186	7,357,973	36,967,736
" 22.....	17,052,559	47,254,623	1,012,980	7,411,237	36,244,633

" 29.....	16,244,277	47,607,538	1,008,825	7,432,584	85,460,881
Feb. 3.....	16,461,076	47,223,661	1,000,699	7,668,865	84,681,136
" 10.....	16,852,787	47,249,883	996,312	7,819,599	84,464,070
" 17.....	16,777,175	46,931,837	953,207	7,843,002	83,926,542
" 24.....	17,282,602	46,865,572	1,026,408	7,732,070	83,052,258
Mar. 3.....	17,447,633	46,604,752	1,041,892	8,161,049	82,885,094
" 10.....	17,292,534	46,546,878	1,035,694	8,248,100	82,504,508
" 17.....	16,875,608	46,690,738	1,026,068	8,438,184	82,102,427
" 24.....	15,969,814	46,642,150	981,932	8,580,200	82,144,250
" 31.....	15,951,832	46,043,498	990,630	8,666,230	82,257,658
April 7.....	16,623,233	46,028,641	946,282	8,720,270	82,762,280
" 14.....	18,823,759	45,114,699	949,116	8,743,396	81,640,864
" 21.....	18,660,518	45,762,733	936,876	8,761,213	85,448,955
" 28.....	18,949,719	46,832,734	890,241	8,779,166	86,032,862
May 5.....	19,144,640	46,006,654	912,023	8,794,348	86,987,007
" 12.....	19,614,283	46,236,256	896,741	8,937,420	86,414,588
" 19.....	19,618,233	46,336,567	897,913	8,918,938	87,296,645
" 26.....	19,715,093	46,036,984	867,094	8,983,742	87,078,418
June 2.....	21,154,909	47,561,996	890,121	9,022,553	88,189,566
" 9.....	21,543,035	46,118,897	859,633	9,007,515	88,326,934
" 16.....	20,563,591	44,616,145	897,331	9,219,553	86,972,476
" 23.....	21,105,316	48,166,814	899,999	9,290,094	88,715,308
" 30.....	21,455,836	48,266,904	863,454	9,325,475	87,212,979
July 7.....	20,546,695	48,892,594	846,991	9,431,664	88,275,789
" 14.....	21,311,658	49,493,405	852,783	9,442,146	87,707,567
" 21.....	21,312,705	49,009,316	849,770	9,427,363	87,575,560
" 28.....	20,942,376	48,963,067	826,096	9,382,478	87,370,836

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.						
(Capital Jan. 1, 1866, \$41,900,000.)						
		Loans.	Specie.	Legal Tenders.	Deposits.	<div>Circulation</div> <div>National. State.</div>
January	1.....	\$91,421,477	\$801,415	\$19,907,300	\$38,451,794	\$21,497,854 \$1,404,721
"	8.....	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180 1,323,793
"	15.....	92,959,364	1,029,106	20,432,014	40,939,870	21,946,595 1,273,948
"	22.....	92,665,111	1,040,114	20,750,698	40,800,679	22,034,642 1,215,675
"	29.....	92,877,733	1,003,013	20,544,830	39,153,816	21,899,318 1,157,848
February	5.....	94,578,358	805,237	20,568,135	40,436,163	22,325,478 1,125,728
"	12.....	94,083,827	632,591	20,412,589	38,768,019	22,348,638 1,057,323
"	19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531 1,033,391
"	26.....	93,539,049	521,292	20,262,177	36,398,481	22,847,971 1,046,022
March	5.....	92,980,512	556,856	20,031,968	35,581,876	22,606,835 1,306,719
"	12.....	90,705,159	623,938	19,905,120	35,297,498	22,730,329 721,809
"	19.....	91,902,811	606,992	20,470,018	36,696,321	24,018,916 910,749
"	26.....	91,931,236	513,153	20,913,521	35,887,368	23,019,897 901,620
April	2.....	92,351,979	532,556	20,761,014	36,697,227	23,087,693 869,329
"	9.....	92,142,975	487,455	20,334,570	37,426,560	23,268,612 830,069
"	16.....	91,250,832	457,649	19,902,617	37,606,696	23,635,013 777,198
"	23.....	86,120,897	411,693	19,399,145	36,946,182	23,469,488 744,041
"	30.....	86,723,001	401,113	19,549,614	33,396,210	22,856,656 744,425
May	7.....	90,369,589	576,170	21,415,716	41,205,276	23,516,330 719,688
"	14.....	90,328,554	501,013	22,462,523	42,021,976	23,551,579 695,597
"	21.....	89,634,864	472,172	22,973,509	41,611,149	23,195,968 661,819
"	28.....	91,832,402	436,391	23,638,956	41,631,746	23,722,277 644,658
June	4.....	92,267,612	503,991	26,148,678	42,992,749	23,679,075 609,171
"	11.....	89,878,993	374,966	25,470,926	42,858,986	22,916,559 480,599
"	18*.....	87,568,683	371,596	24,426,749	41,992,820	21,845,977 544,941
"	25.....	94,336,170	323,335	25,019,496	42,587,020	23,633,048 507,371
July	16.....	96,047,000	453,600	21,610,000	40,477,000	24,145,000 412,000
"	23.....	95,993,864	441,689	22,766,738	40,985,858	24,057,765 401,544
"	30†.....	95,002,693	363,776	22,242,659	39,770,368	23,804,526 355,866

* No returns from National Bank of Redemption. † No returns from the Traders' Bank.

ARMY, NAVY, AND POPULATION OF AUSTRIA, PRUSSIA, AND THE GERMAN CONFEDERATION.

The *World* publishes a *resumé* of the military power and population of Austria Prussia, and the German Confederation, from which we have prepared the following:

THE AUSTRIAN EMPIRE.

ARMY OF AUSTRIA.

The Austrian army is composed as follows, the conscription in time of war, however, bringing the strength of the army to a much higher figure :

Infantry.....	Men. 442,003	Engineers.....	Men. 8,968
Cavalry.....	57,759	Pioneers.....	6,416
Artillery.....	54,881		
Totals			570,027

THE AUSTRIAN NAVY.

	Ves-		Horse		Ves-		Horse
	sels.	Guns.	power.		sels.	Guns.	power.
First class.....	3	176	2,400	Sailing and despatch boats	9	37	1,590
Second class.....	3	91	2,150				
Third class.....	2	56	1,000	Total steam vessels and			
Frigates.....	5	191	1,800	iron-clads.....	39	639	11,730
Corvettes.....	7	64	1,710	Sailing ships of war of dif-			
Gunboats.....	8	34	960	ferent classes.....	20	145	
Yachts.....	2	5	420				
Total					59	784	

POPULATION, ETC., OF AUSTRIA.

Population of Austrian Empire.....	35,019,058
Area of territory in Austrian square miles.....	11,253
Average population to each square mile	3,114
Revenue of Austrian empire, 1865	£51,490,545
Expenditure of Austrian Empire, 1865	52,268,829

THE AUSTRIAN MERCHANT MARINE.

Number of vessels.....	9,643	Tonnage.....	331,268
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THE KINGDOM OF PRUSSIA.

THE PRUSSIAN ARMY.

	No. of Men.		No. of Men.
Infantry, field troops.....	253,506	Garrison troops, cavalry.....	800
Cavalry, field troops.....	36,018	Garrison troops, artillery.....	16,200
Artillery, field troops.....	80,554	Garrison troops, pioneers.....	1,950
Total field troops.....	370,073	Total strength of army.....	609,699
Garrison troops, infantry.....	116,232	Reserves (Landwehr).....	104,414
Total, including reserves.....			714,113

THE PRUSSIAN NAVY.

	Vessels.	No. Guns.	Horse Power		Vessels.	No. Guns.	Horse Power
Steam corvettes.....	4	132	1,600	Steam frigates, iron-clad....	4	140	2,400
Light corvettes.....	4	64	800	Iron-clads.....	4	200	4,000
Flush deck corvettes.....	2	28	200				
Gunboats, 1st class.....	6	36	600	Total.....	20	660	10,800
Gunboats, 2d class.....	15	60	1,200				

POPULATION, ETC., OF PRUSSIA.

Population of Prussia.....	18,482,743	Revenue, 1865	£22,607,105
Geographical area in sq. miles.....	5,050	Expenditure, 1865.....	22,771,248

PRUSSIAN MERCHANT MARINE.

No. of vessels.....	1,441	Tonnage.....	187,000
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THE KINGDOM OF SAXONY.

Army, infantry and cavalry.....	25,000	Area in square miles.....	6,777
Artillery, guns.....	50	Revenue, 1865 (thalers).....	12,356,852
Reserves.....	10,000	Expenditure, 1865.....	12,860,242
Population.....	2,225,240		

KINGDOM OF BAVARIA.

Bavarian army.....	105,757	Revenue (six years), florins.....	46,720,597
Population of Bavaria.....	4,689,537	Expenditure (6 years), florins.....	46,720,597

THE KINGDOM OF HANOVER.

Army of Hanover.....	23,614	Area in English square miles.....	14,246
Reserves.....	3,144	Revenue, thalers.....	19,627,506
Population.....	1,888,070	Expenditure, thalers.....	19,658,250

THE GERMANIC CONFEDERATION.

We give the resources of the smaller States which vote in the German Diet held at Frankfort, and are members of the Germanic Confederation. We give their populations, and the number of men that they are required to furnish as their contingents to the army of the German Confederation.

	Population.	Contingent to Federal army.	Area in English sq. miles
Austrian States of the Confederation.....	12,402,994	165,137	75,822
Prussian States of the Confederation.....	14,188,804	182,769	71,698

Bavaria	4,699,837	59,894	29,638
Saxony	2,225,240	20,000	5,766
Hanover	1,888,070	21,757	14,776
Wurtemberg	1,720,708	23,259	7,675
Baden	1,349,291	16,067	5,851
Hesse-Cassel	738,351	9,466	3,858
Hesse-Darmstadt	846,907	10,823	3,243
Holstein and Lauenburg	594,566	6,000	3,710
Luxemburg and Limburg	421,088	2,766	1,886
Brunswick	222,400	3,493	1,526
Mecklenburg-Schwerin	548,449	5,967	4,834
Nassau	457,571	6,109	1,962
Saxe-Weimar	270,252	3,850	1,421
Saxe-Meiningen	172,341	1,918	933
Saxe-Altenburg	187,883	1,638	509
Saxe-Coburg-Gotha	150,431	1,800	816
Mecklenburg-Strelitz	99,060	1,197	107
Oldenburg	295,242	3,740	2,417
Anhalt	181,824	2,038	869
Schwarzburg-Sondershausen	64,805	751	318
Schwarzburg-Rudolstadt	71,913	809	340
Lichtenstein	7,150	91	64
Waldeck	58,604	806	466
Reuss-Greiz	42,130	1,211	148
Reuss-Schleiz	83,360	850	297
Schauenbourg-Lippe	40,744	850	212
Lippe-Deudold	103,518	1,202	445
Hesse-Homburg	26,819	333	106
Lubeck	49,482	670	127
Frankfort	87,518	1,119	43
Bremen	98,575	748	106
Hamburg	221,941	2,163	143

RECAPITULATION.

Total population of the States of the Germanic Confederation	45,013,034
Army of the Germanic Confederation—	
Infantry	391,634
Cavalry	60,758
Artillery	50,680
Total	503,072
Geographical area in English square miles	242,567

THE BOOK TRADE.

The Principles of Biology. By HERBERT SPENCER, author of the “Moral Principles of Psychology,” “Illustrations of Progress,” “Essays, Political and Esthetic,” “First Principles,” “Social Statics,” “Education,” etc. Vol. I. New York; D. APPLETON & Co., 1866.

The aim of this author is declared to be to set forth the general truths of biology, or science of life, as illustrative of and as interpreted by the laws of evolution; the special truths being introduced only so far as is needful for elucidation of the general truths. His work is hardly intended for popular reading; the diction is so highly charged with technical terms, as to make it necessary for his apocalypsee itself to have an interpreter to make it intelligible to the ordinary reader.

An introductory work, the “First Principles” was prepared by Mr. Spencer some time ago, and published in England, which was received by a large body of readers with great satisfaction. Similar favor has attended upon the reprint given to the American public by Messrs. Appletons. The present volume will be welcomed by the same class.

Part I. treats of the Data of Biology; Part II. of the Inductions of Biology; and Part III. of the Evolution of Life. Beginning with a cursory allusion to the

phenomena of organic matter, the action of forces upon it and its reactions upon forces, he proceeds to consider the subject of Life itself, which he defines as the "co-ordination of actions."

After examining the correspondence between life and its circumstances, he afterward declares that life is the continuous adjustment of internal relations to external relations; and that it varies as does the correspondence.

Having mapped out this subject, the author proceeds to consider its indications, the conclusions to which it leads. This involves the whole matter of organic growth, development, function, waste and repair, adaptation, individuality, genesis, hereditary, variation, classification and distribution—to each of which phenomena an entire chapter is devoted; the discussion bringing us finally to the purpose of the work. He thus sets forth the enquiry.

"What interpretation we put on the facts of structure and function in each living body, depends entirely on our conception of the mode in which living bodies in general have originated. To prove some conclusion respecting this mode—provisional if not a permanent conclusion—must, therefore, be our first step. We have to choose between two hypotheses—the hypothesis of special creation and the hypothesis of evolution."

He proceeds accordingly to a demonstration that the theory of special creation is worthless, and without evidence, neither satisfying an intellectual need or a moral want. "The belief that all organic forms have arisen in conformity with uniform law, is a belief that has come into existence in the most instructed class living in these better-instructed times." Having answered this position, Mr. Spencer proceeds in succeeding chapters to array in its support "arguments from classification," "arguments from embryology," "arguments from morphology," and "arguments from distribution." He next proceeds to answer the question, "How is organic evolution caused?" He discards as unphilosophical the ascription of it to some aptitude naturally possessed by organisms, and sets aside the theories of Darwin and Lamarck, as only removing the difficulty a step further back. After a recondite argument of his own, he finally arrives at the following conclusion:

"We find progression to result, not from a special, inherent tendency of living bodies, but from a general average effect of their relations to surrounding agencies. While we are not called on to suppose that there exists in organisms any primordial impulse which makes them continually unfold into more heterogeneous forms; we see that a liability to be unfolded arises from the actions and reactions between organisms and their fluctuating environments. And we see that the existence of such a cause of development presupposes the non-occurrence of development where this fluctuation of actions and reactions does not come into play."

This he explains by the constant effort of all organisms to attain equilibrium under altered conditions of existence. "The specialities of nature, chiefly mental, which we see produced, and which are so rapidly produced that a few centuries show a considerable change, must be ascribed almost wholly to direct equilibrium."

These hypotheses do not agree with the theory of cosmogony and creation usually received; yet has been entertained with much favor among the learned. We will look for Mr. Spencer's second volume with much interest. Although his arguments may not be considered as always conclusive, the subject is too important not to be treated with candor and attention. The results of the hypotheses, if it is sustained, must accomplish a revolution in the world of opinion.

Asiatic Cholera; Its Origin and Spread in Asia, Africa and Europe; Introduction into Canada, Remote and Proximate Causes, Symptoms and Pathology, and the Various Modes of Treatment Analyzed. By R. NELSON, M. D., Health Commissioner during the first two invasions—1832, 1834; President of the Medical Board for the District of Montreal. New York: Wm. A. Townsend, Publisher. 1866. Pp. 201.

This little work is not so much a history of cholera and analysis of the subject, as an outline sketch and a statement of observations made by the author during the period when he was the Executive Officer of the Medical Board for Montreal, at the time of the first visitation of Asiatic cholera. Of the contagiousness of the epidemic, he has not a doubt; wherever it appears, some infected person or substance has been; hence the common observation that it travels on the thoroughfares of commerce. But he declares, contrary to the experience of most, that it pays little respect to localities, visiting the clean and apparently wholesome abode as readily as the filthy, and even sparing the drunkard to attack his temperate neighbor.

Dr. Nelson denies that Asiatic cholera is a disease producing molecular disturbance and lesions; for a person attacked by it, and not overcome, recovers his former state of health with readiness. According to his hypothesis, a choleraic poison is introduced into the system, producing no disease, but instead a catalysis or liquefaction of certain elements of the body. The liquid so formed has a strong and rapid tendency to reach the surface of the skin and the intestines, oozing through the intervening tissues without at all employing the functions of absorption, circulation and secretion—all of which are absolutely suspended. Saline substances have been injected in the veins, and escaped in the same way. This choleraic matter constitutes the cold sweat and the rice-water evacuations so well known. The body throughout is cold, much colder than the atmosphere, owing to the fact that the air breathed has no action on the blood. The choleraic poison transmutes certain constituents of the body into a special liquid, heretofore unknown, and also changes deposits, the result of disease, in like manner. The serum of the blood, the juices contained in the muscles, the fibrin of the blood, are all drained away; the fat is removed, yet none of these can be detected in the choleraic discharges. The fluid of dropsies, abscess and fluctuating bubo undergoes the same change.

Dr. Nelson, being somewhat "old-fashioned," has little confidence in the more modern remedies. His dependence is on pure dry opium, a grain at a time, not to be given, however, till the vomiting shall have entirely ceased, lest it should lock choleraic matter in the stomach and produce speedy death. Absolute quietude is also necessary. He says little of cold applications, except that a poor man, experiencing the sensation of heat, immersed himself twelve hours in a barrel of water, and then got out nearly recovered. This favors Dr. Chapman's prescription of ice to the spine. In the event of not failing under the attack, the treatment during convalescence should be expectant. Avoid everything that can fatigue, waste, or exhaust the patient. Give nutriment as the appetite prefers, in quantities that the stomach can master. Light wines or cordials may be used; also tepid baths, or sponging frequently. This will supply moisture to the system, and have an anodyne effect. These hints are valuable, and deserve consideration.

The Wycliffites, or England in the Fifteenth Century. By Mrs. Colonel MAC-KAY, authoress of "The Family at Heatherdale," etc., etc. New York: ROBERT CARTER & BROTHERS, 1866.

John Wycliffe, as our readers know, lived in the fourteenth century. Among

his friends was John of Gaunt, Duke of Lancaster, the son of the Third Edward and father of Henry IV. But the three kings of the House of Lancaster scrupled not to persecute the disciples of the man whom their great progenitor had loved and protected. History, however, has its retributions; and Edward, Earl of March, was enabled to expel from the English throne the family that had occupied it for three generations. The present story is told of this period.

The religious element is placed conspicuously in the foreground, so almost as to break the current of the narrative, and to make it tedious. Lady de Clifford, kinswoman of the celebrated kingmaker Warwick, is a partisan of the House of Lancaster, watching her opportunity to transfer her adhesion to the party of York. Her elder son Howard is a disciple of Wycliffe, and has no sympathy with her in this desertion of the cause of King Henry. The occasion of Edward IV. being invited to the Castle of the Cliffords, leads him to resolve upon exile. He leaves England, leaving behind his brother and family, and an affianced bride. Julie Pierrepont of Pierrepont Manor, also a Wycliffite, on his journey rescues Queen Margaret and his son from a robber. Both Aymer de Clifford, his brother and Henry Pierrepont, the brother of Julia, embrace the cause of Edward. Julia visits London, and, attending a conventicle of the Lollards, is arrested and kept as a prisoner by the Archbishop of Canterbury. She is rescued however, by her brother's confessor, now become a Wicliffite. On the occasion of the effort of Queen Margaret, aided by Warwick to recover the throne, Howard de Clifford bears a prominent part. He visits and marries Julia Pierrepont, and for a season is high in the confidence of the Queen and Prince of Wales. But the battle of Tewksbury completed the overthrow of the house of Henry VI. De Clifford is wounded and carried off the field by two devoted followers; and his lady being informed that he is still alive, joins him in his hiding-place. Learning that King Edward is at Gloucester, she makes her way thither and solicits his life. It is reluctantly granted; he afterward transfers his allegiance to the House of York, and the story ends. The plot is excellent, but the narrative drags; and as an illustration of the piety, doctrines and practice of the Lollards, the progenitors of the Puritans of England, it comes far short. It does not make a good religious book nor quite come up to the character of a well written romance.

The Boys at Doctor Murray's. A Story of School Life. By GRACE GAYLARD. BOSTON: GRAVES & YOUNG.

For a children's story book this is good. A friendless lad Willett Howth is found guilty of stealing, upon which Grant Westerly, a fellow pupil, resolves upon befriending him. He obtains his pardon, and persuades the other pupils to receive him without a taunt. All is well till a temporary absence of Westerly, on which occasion young Howth, being slighted, runs away. He is found by his friend, but falls sick. Westerly nurses him tenderly, and the old relations in the school are finally resumed. A forgotten uncle of William appears, and makes a change in his prospects. Westerly's guardian loses his property, upon which the Howths make provision for him to finish his education at their expense. The story is well told, maintaining its interest and preserving its moral in distinct view till the conclusion.

The American Annual Cyclopædia, and Register of Important Events of the year 1865. Embracing Political, Civil, Military, and Social Affairs; Public Documents; Biography, Statistics, Commerce, Finance, Literature, Science, Agriculture, and Mechanical Industry. Volume V. New York: D. APPLETON & COMPANY.

A portrait of President Lincoln embellishes the frontispiece of this valuable annual. It was engraved from a photograph obtained from Mr Lincoln in 1861 by Hon. R. C. McCormick, now Governor of Arizona; and was taken just before the late President left his home at Springfield for the last time. Mr. Lincoln preferred this photograph above all the others which had been taken of him.

The present volume embraces the final military operations of the late civil war, the disbandment of the armies, and the reduction of fleets, events accomplished without disturbance, and illustrating the moral strength of the people, and the stability of the Government of the United States. The change of the national administration occasioned by the murder of Mr Lincoln, and the accession of Mr. Johnson are carefully delineated, together with the measures employed for re-establishing the State governments and to restore the Federal authority.

No year in the political history of any nation was ever more full of incidents of so important a character. The institution of slavery has been blotted out by the almost unanimous concurrence of the States; industry in the Southern States has been, to a great degree, rehabilitated on the new basis; and all without resort to such coercive measures as would have been required in a despotic government. All these matters are treated fully, and even exhaustively.

The scientific papers are elaborately prepared. The new discoveries, and the applications of science to useful purposes, are put forth with remarkable completeness and accuracy. The discoveries in chemistry and astronomy are all recorded, as well as those ascertained by geographical exploration in all parts of the globe.

Among the treatises of greatest present interest probably are those on the Asiatic cholera, the cattle plague, and the disease of swine; they are fully described, with the different modes of treatment and the result of the latest investigations. We notice that the writer on cholera describes the treatment given by the missionaries at Constantinople with favor; alludes briefly to Doctor Chapman's remedy of ice applied to the spine to control the spasm, and declares that during the prevalence of the cholera this time in Europe the homœopathic method "has proved such a failure as to be strongly reprobated by those who were formerly favorably disposed to it."

An invaluable feature of this volume is the completeness of the historical narrative. The chronology of the war is full and accurate; the history of the events taking place in the countries of Europe, in Asia and Africa, as well as on this continent, is brought down to the present year; the details of the internal affairs of the United States are presented, embracing commerce, finance, legislation, political movements, &c; the relations of this country to the foreign nations as developed in our diplomatic intercourse are fully presented, all important documents, such as messages, orders, despatches, and letters from official persons having been inserted entire. The world of literature is remarkably thorough. The titles of all important books are given, with an outline of their subjects. Brief sketches are given of the distinguished men who died during last year. The biography of Mr. Lincoln is admirably written, and an appropriate tribute paid to his character.

There are two indexes, one of subjects of which there are 245, and one of the contents of the volume, very complete and elaborate, showing that the editor is fully aware of the value of that feature of a work.

The present volume is in no manner inferior to its predecessors. Appleton's *Cyclopedia* has become necessary in every private library, affording, as it does, a complete history of the world, a repertory of science, and record of the progress made in the world of letters.

Essay on Diamonds. By an Amateur. New-York: 1866.

This volume is perhaps better adapted for an Encyclopedia than for circulation as a separate treatise. It is written in clear style, and brings together a large number of interesting facts in relation to it, which every intelligent person ought to know. Of all the precious gems the diamond has retained the most uniform valuation. Their possession, as all know, have been coveted by the great and wealthy of all countries, in every historical period. The richest specimens are from Hindostan, where they seem to be generally obtained along the shores of rivers. Jameson says that they are in the coal formation of that country. But diamonds are found in all parts of the world, in Russia as well as Brazil, and under circumstances indicating that they are of comparatively recent origin. It is now 410 years since Ludwin von Bergen invented the method of polishing them with their own powder. It was the former practice to cut them according to their form in octohedronal planes; but cutters now use the forms known by the terms brilliants, rose diamond, table diamond and brillioette. Cardinal Mazarin, of the reign of Louis XIV., is said to have been the first wearer of brilliants. Cutting greatly reduces the weight of this gem, the Kohinoor and South Star diamonds, which lost comparatively little, having been respectively reduced from 186½ to 82½ carats, and from 254½ to 124½.

This little book furnishes much information on all those points, in the history of particular diamonds, grouping together much that is interesting and useful.

GAIL HAMILTON has in the press of her publishers, Messrs. Ticknor & Fields, Boston, a new volume specially adapted to summer reading, and bearing the taking title of "Summer Rest." Most of the articles in this volume are now for the first time printed, and will be found equal to any of the author's most brilliant essays. Halicarnassus appears again on the carpet; and his exploits in the way of gardening and other domestic matters are made very amusing. Gail Hamilton is never dull. Possessed of a sharp and ready wit, speaking boldly, and that too upon topics wherein women have been supposed to have but little interest, she has already gathered about her an audience, which, by its hearty appreciation of her writings, attests the truth of many of her convictions. The success of her various volumes of essays has been without a parallel; in fact she is the most successful writer of the day.

The Civil War in America: An Address by GOLDWIN SMITH. London: SMITH, KIN, MARSHALL & Co.

Professor Goldwin Smith of the University at Oxford has earned the gratitude of every friend of the United States for his sympathy during their late struggle, when every government in Western Europe desired their destruction. If we do not concur in every sentiment of his address to the Manchester Union Society, we cannot withhold our acknowledgment of the good will of its author. If we had had more such friends in England during the late civil war, the contest would have been briefer and less sanguinary.

Professor Smith most justly denies the theory that the war arose from a divergence of commercial interest ; that it was a struggle between free-trade producers on one side and protectionist manufacturers on the other. Such a cause, he declares, was inadequate to produce the effect. No mention is made of it in the manifesto of the seceding States.

He considers free Christianity to be at the bottom in this country and its institutions, and that in this war it has triumphed. The Western States are a colony of New England, the little Puritan settlement lost in a great nation. In American Christendom are two things going on ; the decline of clerical authority, and the breaking up of sectarian dogmas, with the consequent approach of a reconciliation of the churches. This indicates no decline of religious feeling ; because the flock are more nearly on a level, both intellectually and spiritually, with their pastor. America has produced no new theology, but she has produced religious liberty, from which, in time, better things will spring.

The relations between the employer and employed are sounder and kindlier than in England. Strikes were rare till the derangement of prices, caused by the Legal Tender act, put the world of industry out of joint. Even then the new comers, rather than the native American workmen, resorted to violent modes of raising wages.

Professor Smith proceeds in this temper through his entire letter, defending Americans from the imputation of being slaves to money, deficient in courtesy, wanting in filial affection and love of home, etc. He scans the evils of democracy and universal suffrage, declaring that American institutions so far as they are local, are good. What Providence intends in the New World apparently is not a reproduction of the European nations on a colossal scale, but a great development of humanity, for which Federation, with its infinite power of expansion, its multiplied centres of independent life, its freedom of local action seems to be the destined mould. "The growth will be that of peaceful expansion and attraction ; not of forcible annexation, of which, I believe, no considerable party at the North dreams or has ever dreamed. The British North American Colonies will in time, and probably at no very distant time, unite themselves politically to the group of States, of which they are already by race, position, commercial ties, and the character of their institutions a part. No one can stand by the side of the St. Lawrence and doubt that in the end they will do this ; but they will be left to do it of their own free will."

After a review of the peculiar influences which led to the settlement and development of society in the two districts of the Union, Mr. Smith gives an outline of the history of the war, favorable of course to the Government. The reorganization of society at the South he declares to be the most tremendous problem of all. "Jamaica tells us with terrible emphasis what are the perils of a community composed of the ex-slaveowner and the ex-slave." Kindness, fair wages, and education he suggests as means.

The object of the Manchester Union Association was "to confirm the Government of England in neutrality, and see that it was a real neutrality and not a neutrality of Alabamas ;" to avert a deadly rupture between the two nations, from a primary regard to the general interests of humanity. "Be these the last words of the Association which ends its course to-night, (January 22, 1866) Slavery is dead everywhere and forever."

The Glory and Shame of England. By C. EDWARDS LESTER. In 12 Books. Two volumes, demy octavo. BARTHAM & LESTER, Publishers, New York.

This book first appeared some twenty-five years ago, and became quite popular. It has been written anew, bringing it down to 1866. Mr. Lester depicts forcibly the social condition of England and Ireland, the colonial system and foreign policy, concluding with two chapters of what he terms proofs of the prevalent hostility against the United States. "She shifts her policy," he says, "toward all strong nations to suit the hour—toward weak ones to suit her convenience." We cannot agree with all of Mr. Lester's conclusions on this or other points, but have no doubt the will now, as heretofore, find hosts of admiring readers.

The Conversion of the Northern Nations. The Boyle Lectures for the year 1865, delivered at the Chapel Royal, Whitehall. By CHARLES MERRIVALE, B. D. New York: D. APPLETON & Co., 1866.

The eight lectures included in this volume are a continuation of the previous course delivered on the Conversion of the Roman Empire. They treat upon the revelation of Christ in the philosophical and the practical view, setting forth the peculiar views taken by Mr. Merrivale, with references to the writings of Tertullian and Origen, Athanasius and Augustine of Hippo. In this manner he brings the subject to the period of the decadence of Roman and Grecian civilization, when also Christian ideas were amalgamated with those of the heathen philosophers. He evidently considers the true Christian religion as having now been transferred from Asia, Africa and Southern Europe to the keeping of the Gothic and German nations of the North. Indeed, he declares that through them "we have derived our Christianity." Again,—“We may trace in the particulars of their belief an approach to much which we trust we have learned from the source of truth more directly ourselves. Such are the formation of the world out of chaos, the creation of man, his primitive state of innocence and happiness, the fall of his godlike nature, which they ascribed to mingling with the accursed giants, the existence of a Spirit of Evil and of a Tree of Life.”

At the end of the Roman world, the church stood by its death-bed witnessing the birth of the new period, “accepting changes terrible to the world, but full of consolation to herself.” Her ground of hope lay in that spirit of independence and individuality which characterised the races of Northern Europe, among whom her future was cast. Individuality was strongly marked in the Christian society from the first. The great complaint of the Pagans was that they repudiated the supremacy of the State, of common interests, over the man and his personal interests. Mediæval faith approved itself in its most striking and characteristic features the express contradiction of Pagan naturalism. In asserting and grounding its principles, more generally, more enduringly than ever before, the church of the Northern nation, the church of the middle ages, finally triumphed. The world was then converted indeed. The empire, and the world beyond the empire, issued on its career of Christian development; but Paganism, including both the mythologies and the philosophies of the classical world, as a spiritual creed, was now finally abolished through the special fitness of the Northern nations for imbibing the great principles of Christian Theology.

It is Mr. Merrivale's object to ascribe to the church of the Gothic people a superior rank to that form which exists among what are styled the nation of the Latin race. His reasoning and illustrations all tend irresistibly to that conclusion, and he finally institutes a comparison between the two, showing in a right masterly manner the excellence of the former. The idea thus elucidated may well be expressed by this formula: Protestantism, the Christianity of Northern Europe, is the genuine apostolic faith.

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THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

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SEPTEMBER, 1866.  
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MONEY AND BANKS.

BY J. L. TELLKAMPF, L.L.D., P.D.

(Continued from page 104.)

BANKING.

The functions are deposit and discount. In this respect the subject of banking is distinct from issuing notes as currency. Any man or set of men may become depositors and lenders of money. They receive money, give credit or drafts, and then drafts circulate. A function which does not properly belong to the business of banking, to which we have now especial reference, is that of *issuing notes as money*, and the obscurity which hangs around the subject results from the combination which takes place in the banks of these *three functions*: deposit, discount, and issuing of money. It is as *issuers of paper money* that the banks are chiefly open to criticism. Let us consider them as *makers of money*. This is a high and delicate prerogative. We have melancholy evidence of the blight which its abuse may leave:

1st. In its effects in multiplying contracts which in their effects prove fraudulent and oppressive, since, being made on long terms, they are made in an inflated and must be met in a collapsed currency.

2d. In substituting a system of gambling transfer of property in place of such exchanges as grow out of a healthy and productive system of industry.

3d. In demoralizing men, and thus unfitting them for being useful producers hereafter.

4th. In creating, when reaction comes, obstructions that block up all the channels of business, suspend exchange, and, with exchange, the production to which it gives rise.

5th. In creating artificial prices that tempt to excessive production at home and unlimited importations from abroad, while it prevents the exportation of our own products.

How guard against these evils and yet retain the advantages of the proper use of bank-notes?

1st. There should be only one issuer of bank-notes; and a complete separation between the issuing and the banking business should be effected.

2d. The issues must be limited by the amount of gold and silver in the issuing department.

3d. The proceedings of the banks must be *open*.

4th. There must be a personal *unlimited* responsibility.

With these public confidence can be maintained, as we shall try to explain in the following essay. Being maintained, all the advantages of credit can be secured, and yet the terrible penalty which we have had to pay not be incurred:

PLAN FOR REGULATING THE ISSUE OF BANK-NOTES, WITH REFERENCE TO MR ROBERT PEEL'S BANK ACT OF 1844.

It is sufficiently known that all the dangers and evils of bank-notes produced by the continual expansions and contractions, originate from the over-issue; that is, issuing to a greater amount than the capability of ever-ready redemption. All the evils of paper money are therefore to be cured in this one common point—the issue. In order that the check against those evils which we wish to avoid before they take place should be preventive rather than corrective, the checking remedy must exist in the nature of the issue itself. A sure check can only exist if the self-interest of those issuing the paper obliges them always carefully to confine their issues below their capabilities of redeeming, or, if the issue is not productive, of gain.

There is no necessary connection between the issuing of notes and the business of banking. The two operations, although clearly distinct and different, are by those who find their account in a vicious system sedulously sought to be confounded.

The issue of notes for circulation, like the coining of money, properly belongs to the supreme authority of the State, and should, like the coinage, be entrusted and confined to a single issuer—not granted to a number of competing banks. Moreover, no profits should be allowed to accrue from the issue of notes, since this at once begets the tendency to over-issue, through the desire for, and opportunity of, making gain.

Cherishing these views, I proposed the following “Method for correcting the Currency” in an article published in the January number, 1842, of HUNT'S MERCHANTS' MAGAZINE AND COMMERCIAL REVIEW, in New York, vol. VI., p. 65; I said there: “Upon the supposition that it be correct for Congress to direct the issue of paper, the following plan for the establishment of a national paper currency might, perhaps, be practicable:

“Let a certain number of men of the highest respectability, who are entirely independent of the Government, but under its control, and who

shall have no interest in the quantity issued, be appointed to issue a certain amount of paper fixed by law, depending for its basis upon the credit of the Government and a fund derived from part of the proceeds of the public lands, by which, if necessary, it may be redeemed. These persons are to do no discounting—merely to make the issue. In order to avoid the danger of an over-issue, the amount should be decreed by Congress, always carefully confining its issues below capabilities of redeeming, at all times, as well in the urgent necessities of war as in a state of peace and prosperity. The reputation of a national paper will depend upon the caution never to over-issue, and the promptitude of redeeming. Although the voice of speculators continually demands an abundant issue, yet Congress has in justice to restrict the issue within such limits as thereby to protect its own reputation against dishonor and distrust, and individual property and contracts against unjust fluctuations of value. It must act on the principle that no one can honestly transfer to another, by paper, the power of purchasing which he himself does not possess.

“The men who make the issue should have no interest whatever in the quantity of paper issued; upon this condition only can we hope that prudence and a due regard to their own and the country’s honor might operate as a check against an over-issue.

“Those men, thus appointed merely to make the issue, would not form a bank, since that one act exhausts the power placed in their hands, and no discounting could be done by them. By keeping the issuing and discounting business entirely separate, we avoid the danger of continual expansions and contractions, which, as we know by the unhappy experience of late years, has proved very disastrous to all solid business, to the just fulfilment of contracts, and to those persons who live on fixed salaries.

“Those who are appointed for making the issue should make a full register of it, to be printed in the newspapers, which should specify the number of bills of each denomination issued, each bill of each denomination being numbered in order, 1, 2, 3, &c., so that by this means an over-issue could be discovered by any one holding any of the bills of the over-issue. To avoid the danger of their issuing duplicates, all bills issued should be countersigned by the members of the issuing body and engrossed in their books.

“A part of the proceeds of the public lands would have formed an ever-ready fund for redemption, sustrined, moreover, by the pledged credit of the United States; and, since no expansion or contraction of paper could exist, this would stand so safely stable in value that only in the most extreme cases of danger to the country a redemption would be required; and such cases are rare in the United States, which are so seldom threatened with war. By carefully limiting beforehand the amount within the means of ever-ready redemption, we shall solve that great problem with respect to a paper currency, which is, to discover that check whereby that evil which we wish to avoid may be arrested before it takes place.

“The danger of over-issue is best avoided by making a gradual issue. This paper would be the much-desired medium of exchange throughout the whole United States.”

These views will be found to coincide with those which Sir Robert Peel at a later period (May 6, 1844.) proposed in the British House of Commons, as the basis of a new system of banking. I give, for the sake of comparison, an extract from his speech,—hardly thinking it necessary to

add that I do not suppose that statesmen knew of my article: I must, however, confess my gratification that the ideas of so eminent a man as Sir Robert Peel upon the subject of banking should correspond so fully with those I had previously published.

I have recently read the excellent treatise on "Metallic and Paper Money and Banks," by J. R. McCulloch, Esq., contributed to the "Encyclopædia Britannica," in the year 1858, and I have found there the statement (p. 462) "that in dealing with the Bank of England, Sir Robert Peel adopted the proposal, previously made by Lord Overstone, for effecting a complete separation between the issuing and banking departments of that establishment, and giving the directors full liberty to manage the latter at discretion, while they should have no power whatever over the other. It is probable that Sir Robert Peel profited by the suggestion of Lord Overstone referred to, since the latter made his proposal in his evidence before a committee of the House of Commons in the year 1840, as Mr. McCulloch states.*"

But Lord Overstone's ideas were utterly unknown to me when in America, and, indeed, since my return to Germany, until I found them recently in this treatise of Mr. McCulloch. I arrived at my conclusions in 1842, through studying the defects of the American banking systems during my residence at New York; and it is, I repeat, in the highest degree interesting and satisfactory to me that such eminent men as Sir Robert Peel and Lord Overstone arrived through their investigations in England at the same result. This coincidence of conclusions drawn from similar facts and observations in different countries, is certainly so strong in favor

* Mr. McCulloch says in the above-cited "Treatise on Metallic and Paper Money and Banks," p. 462: "It is right to state, that except in so far as he no doubt profited by the suggestion referred to, the measures adopted by Sir Robert Peel in 1819 and 1844 were entirely his own. And they will continue to be enduring monuments of the depth and clearness of his views, and of his administrative ability. This is a point in regard to which the evidence of Lord Overstone is quite decisive; and it is difficult to say whether that evidence redounds more to his lordship's credit, or to that of the illustrious statesman whose claims to the gratitude of the country as the founder of a sound system of currency he has so generously and successfully vindicated. 'I,' said Lord Overstone, 'had no connection, political or social, with Sir Robert Peel. I never exchanged one word upon the subject of this Act with Sir Robert Peel in my life, neither directly nor indirectly. I knew nothing whatever of the provisions of this Act until they were laid before the public, and I am happy to state that, because I believe that what little weight may attach to my unbiased conviction of the high merits of this Act, and the service which it has rendered to the public, may be diminished by the impression that I have something of personal vanity in this matter. I have no feeling whatever of the kind. The Act is entirely, so far as I know, the act of Sir Robert Peel, and the immortal gratitude of the country is due to him for the service rendered to it by the passing of that Act. He has never been properly appreciated, but year by year the character of that statesman upon this subject will be appreciated. By the Act of 1819, Sir Robert Peel placed the monetary system of the country upon an honest foundation, and he was exposed to great obloquy for having so done. By the Act of 1844 he has obtained ample and sufficient security that that honest foundation of our monetary system shall be effectually and permanently maintained. And no description can be written on his statue so honorable as that he restored our money to its just value in 1819, and secured for us the means of maintaining that just value in 1844. Honor be to his name.'"—*Min. of Evidence*, p. 178, Committee of 1857.

of the truth of our common views as to render them in some degree worthy the attention of the reader.

The extract of Sir Robert Peel's speech, which, as I said above, I quote for comparison's sake, is the following :

Sir Robert Peel spoke (May 6th, 1844) :

"The practical measure which I have this night to propose, as the plan of Her Majesty's government, I shall now proceed to state. It appears to me to be of great importance that we should have one bank of issue in the metropolis—the Bank to continue to the end of its charter, but the business of the bank to be divided into two separate and distinct departments ; the bank of issue to be separated from the general banking business, with different books, accounts, and officers. That to the bank of issue shall be transferred the whole amount of bullion in the Bank of England. That the issue hereafter shall be regulated upon two principles—first, upon the definite amount of securities in its possession ; and secondly, upon the amount of bullion in its possession. That beyond this it shall have no power to issue its notes. The amount of fixed securities on which we propose the bank should issue notes, is £14,000,000 ; the whole of the remainder of the circulation to be issued exclusively on the foundation of bullion, which shall be issued in exchange for coin. I propose that there shall be a periodical and a complete publication of the banking transactions made to the government. I would propose to enact by law that there shall be returned to the government weekly accounts of the issues of notes, the amount of bullion in the bank, and an account of the fluctuations in the amount of bullion, and the amount of deposits. In short, that such accounts shall be returned in reference to every transaction in the Bank of England in the department of issue, and in that of banking ; and that the government shall publish unreservedly and weekly the whole amount. We propose that on every issue that takes place beyond the amount of £14,000,000, the profit of it shall belong exclusively to the state. The bank shall not be allowed to issue bank notes for more than £14,000,000, without transferring the entire net profit of that portion of its issues to the use of the government. It is necessary to introduce some controlling check upon the bank."

The experience of late years has led me to some modifications of the plan, which I originally proposed in America, as above stated, for the regulation of the issue of bank-notes, and it now assumes the following form :

1st. As the losses to the public from over-issue of bank-notes far more than counterbalance any private gains, the issue of such paper shall be productive of no pecuniary advantage whatever to the issuer.

2d. The issue of bank-notes shall be strictly separated from the business of banking, as originally proposed ; and

3d. This issue of notes shall be placed in the hands of a Board of Issue, formed of men of the highest character and respectability, able to give ample bonds and security for the faithful discharge of their trust, entirely independent both of the government and of the people, yet under the immediate control of Parliament or Congress.

4th. The single basis of the issues by this Board shall be in all cases gold and silver, in coin or in bullion actually deposited.

5th. The amount of the issues shall be determined and fixed by the

amount of coin and bullion deposited; the value of the notes not to exceed in any case the value of the deposits, so that they may be at any time redeemed on demand. Thus the danger of over-issue is necessarily reduced to a nullity, since bank-notes would simply be a representative of value in the precious metals actually deposited in the banks—the amount of notes consequently varying with the amount of gold and silver on hand.*

The real point of difference between my present and my former plan is this, that the basis of the issues shall be bullion alone; that (analogous to the Bank Act of Sir Robert Peel, of 1844) the so-called securities of State shall not in any case take the place of bullion, and be made the basis of an issue of bank paper. It seems clear that the debts of the State should not be a foundation for new debts of banks. The issue and circulation of paper money can never be secure until the idea of making a pecuniary profit out of this issue be quite given up. The only object which can of right be aimed at in its issue is the convenience of the public; the profit of the issuer is nothing when compared with the advantage that the public would gain by perfect security in the value of the paper in circulation.

Although it may appear daring, I cannot omit to express an opinion contrary to the views of Mr. McCulloch and Sir Robert Peel, though with all due and sincere regard for the high authority of these eminent men: viz., that the ability of the Bank of England at all times to redeem its notes in ready money, was not lessened by the circumstance, that its issues to the amount of £14 000,000 are not protected by deposits of gold and silver, but merely by £11,015,000 of government securities, which it has to claim from the public, and £3,000,000 in exchequer bills. It appears to me that in this arrangement too much stress is laid upon the gain, and less on the security, the securities bearing three per cent. interest, and affording at the same time another profit in the issue of the notes, by which the lucrative banking business is carried on, without the actual use of hard money. Sir Robert Peel said on this subject in the speech above quoted: "I have said that we intend to insist on the Bank of England being the department of issue—that the amount of bank-notes shall be regulated partly in a fixed amount of security and the rest upon bullion; the government propose that the amount of the security shall be £14,000,000. We propose to continue (as I see no advantage which could arise from making a change) the debt due by the government to the Bank of England—we propose to continue the existing loan. I know no advantage which would accrue from the government paying off this debt, looking to the Bank as the central bank of issue. We propose that the sum of £11,000,000 due by the government, shall be considered as part of the security upon which the issues shall be effected. There will then remain £3,000,000 of exchequer bills, over which the Bank will have a control." Mr. McCulloch says on this point, page 463 of his treatise: "The notes

* The total cost of issue of bank-notes by the Bank of England is about \$100,000. But the Bank of England conducts its issues upon a too liberal scale. Probably, however, the Bank might find means, without injury to the public, of re-issuing her notes, or of otherwise reducing the cost of their circulation. The expense should be borne by the public.

of the Bank of England in circulation for some years previously to 1844 rarely amounted to twenty or sunk so low as sixteen millions. And such being the case, Sir Robert Peel was justified in assuming that the circulation of the Bank could not, in any ordinary condition of society, or under any mere commercial vicissitudes, be reduced below fourteen millions. An the Act of 1844 allows the Bank to issue this amount upon securities, of which the £11,015,000 she has lent to the public is the most important item." And page 467: "There is not the smallest chance that, under ordinary circumstances, or in the absence of internal commotion or panic, the issue of bank-notes will ever be reduced so low as £14,000,000; and it is therefore quite enough for every purpose of security, that the notes above that limit should be issued on deposits of bullion."

Mr. McCulloch argues that under ordinary circumstances the security is quite enough, but he can hardly deny that under extraordinary circumstances it might not be sufficient, for he himself acknowledges in his account of the suspensions of the Bank Act, in the years 1817 and 1857, to how small an amount the deposits of the Bank of England decreased during those bank and commercial crises.* He ought, therefore, to acknowledge, that under uncommon circumstances those securities are hardly sufficient. It seems that Sir Robert Peel wished to change as little as possible in the existing arrangements, and that this is the excuse for this measure. For the following is to be remarked: As the issue of notes to the amount of £14,000,000 is based not upon ready money, but upon the debt due by the government to the Bank, there is immediate danger both to the Bank and to the merchants, whenever in consequence of bad harvests, great importations, speculations or wars, a considerable part of the money and bullion is drawn from the Bank and sent abroad. In consequence of bad harvests, for instance, the amount of money in the Bank of England during the eighteen months from April, 1838, to October, 1839, sank from £10,126,000 to £2,525,000. And yet but a small amount in notes was at that time withdrawn from circulation.

BANK OF ENGLAND.

	Circulation.	Cash on hand
1838. April.....	£18,987,000	£10,126,000
“ October	19,259,000	9,487,000
“ December.....	18,462,000	9,868,000
1839. October.....	17,612,000	2,525,000
1840. “	17,281,000	4,145,000

In such condition, with so little cash capital in the bank, the £14,000,000 public securities are of little use, except in the case of the exchequer bills, for the purpose of exchanging readily notes for hard money. Mr. McCulloch himself mentions in his account of the suspension of the Bank Act in the year 1857, the insufficient sum of money, viz.: £1,462,153,† which the bank then possessed, “whilst it was the general belief, that this inadequate reserve would be forthwith either much reduced or wholly swallowed up;” and he farther adds that the business of the bank has been conducted of late years with great prudence. Now as the circula-

* Mr. McCulloch's Treatise above quoted, page 468. † Ibid.

tion of notes is in a sound state only when each note can be redeemed in hard money upon demand; and since the bank did everything in its power, according to the testimony of Mr. McCulloch, to act up to the principle of sound banking, it follows that it was out of her power—that that, in those crises, she could not redeem her notes by using those £11,000,000 of Government indebtedness for that purpose. Such securities are not available in times of danger and necessity—the bank can only redeem her circulation in coin, bullion, exchequer bills, and by taking them in payment for bills discounted and bills of exchange.

If the plan above suggested—that no notes should be issued on securities, and that no profits should be made by the issue (the cost of which might be paid by the public)—should be adopted and carried out, no further limitation by law would be necessary, and in all other respects the greatest freedom in banking, or, in other words, the freest competition in the real banking business, might be the result.

Suppose now all notes are withdrawn from circulation save these actual representatives of cash or bullion, which are issued at public cost, without profit to the issuers, simply for public convenience. The notes are necessarily equal in value to coin, because they actually represent it and are at any time redeemable in it; they are better than bills of exchange, because they require no endorsement, and the holder subjects himself to no responsibility for their goodness; they are at once for an entire nation, what the girobanks are for their immediate neighborhoods; they being more convenient to use than coin or bullion would generally be preferred; and hence, would not often be presented for redemption.

In short, the public would only be a gainer, for all danger of a “money crisis” would be at once removed. Commercial crises would, of course, still happen from time to time, but with less violence, since overtrading and the spirit of wild speculation could no longer be stimulated by banks of issue.

The Board of Issue would grant to all banks its notes in exchange for coin or bullion, to be issued in their free banking business, just as is now the case in the department of issue of the Bank of England.

Commerce, in fact all business, would be facilitated, and yet the greatest safety secured—a duty which the Government owes to the people. It would be a safeguard against great fluctuations in prices, certainly against the high prices, which are merely artificial, and the work of speculators, induced thereto by the facility with which they can at times draw funds from the banks as at present constituted. In other words, the consumer would have secured to him a greater power of purchasing,* that is, he would be wealthier.

Mr. McCulloch and others lay much stress upon the fact, that the substitution of notes for coins is a device for the *economising* of currency, and a *source of profit* to the issuers,† but there is not so much saved by this device as is lost from time to time to the people by repeated bank crises. The profit upon the issue of notes is moreover only a profit to the bank-

* See Say, Cours complet d'économie politique pratique. Tome II. cap 4.

† J. R. McCulloch, Esq. A Treatise on Metallic and Paper Money and Banks pages 446 and 478.

ing houses that issue them, the public does not participate in it. The banks give notes, which cost nothing but the expense of manufacturing, to the public in exchange for real values which it (the public) has first to produce by its industry. The public thus gives real values for mere pieces of paper, and farther more incurs the risk of loss, being without sufficient security in cases of bank crises. As to the economy of the present system, it depends but slightly upon the issues of notes; on the other hand, it is effected mainly by bills of exchange, of which, in the year 1846, as I was assured by Mr. Heath, then Governor of the Bank of England, nearly £300,000,000 were in course, by the daily exchange of bills to the amount of several millions at the Clearing House, and by the transfer of accounts on the books of the banks.*

But though the economical advantages of notes be all their friends suppose, what are they to the disastrous results caused by over-issues, in the grand explosions, which surely follow the overtrading, and the spirit of hazardous speculation, which they beget? On this point, I refer the reader to the account of the crises of 1745, 1792-3, 1797, 1814-6, 1825-6, 1837, 1847, and 1857, as contained in Mr. McCulloch's treatise.† The reader will see, by reference to a former treatise of my own,‡ that the losses in America during the crisis of 1837, were estimated at \$200,000,000.

If we consider the extent of the American crisis of 1857, it is probable, that the losses have been at least of an equal amount. A New York paper counts the losses in the short period alone from the 1st of August until the 20th of October, 1857, at \$150,000,000. The London papers of November 6th of that year say:—"The advices which arrived with the last steamer reach to the 24th of October. Nine hundred bankruptcies, with a loss of ninety millions of dollars, have become known." A later communication from New York of January 12th, printed in the *Schlesische Zeitung* of February 4, 1858, said that the United States had, during the crisis of 1857, about 5,120 bankruptcies, with debts to the amount of \$299,811,000, of which probably the half would be paid. Although these accounts are inexact, still they show that the loss to the public was tremendous. New York papers of November, 1857, stated that about 50,000 persons in that city were thrown out of employment, and had formed dangerous bank mobs, and that everywhere thousands of laborers were idle.

For these reasons, Mr. Buchanan, the President of the United States, condemned the American banking system in his message to Congress of the 8th of December, 1857, and said, that the first duty which banks owe to the public is to keep in their vaults a sufficient amount of gold and

* I take this opportunity of acknowledging my obligations to Mr. Heath, then Governor of the Bank of England, and to Mr. W. D. Haggard, Principal of the Bullion Department, to whom I was recommended by Baron Bunsen, then Prussian Ambassador, for their kindness in showing me the bank.

† J. R. McCulloch, Esq. A Treatise on Metallic and Paper Money and Banks, pages 456, 459, 460, 462, 467, 491, and 492.

‡ Die neuere Entwicklung des Bankwesens in Deutschland, mit Hinweis auf dessen Vorbilder in England, Schottland, und Nord Amerika, von J. L. Tellkamp, 1856.

silver to insure the convertibility of their notes into coin at all times and under all circumstances.

The losses further, which the public in England has suffered during the last crisis of 1857, are calculated by the *Times* of the 21st to the 24th of Dec., of 1857, a paper usually well informed in money matters, at the enormous sum of £50,000,000. If we compare herewith the profit, which, for instance, the public makes by the issue of notes on the basis of the £14,000,000 of Government securities or debts, and which Sir Robert Peel calculated yearly at about £100,000 in his speech of May 6. 1844, and which Mr. McCulloch estimates at £127,000 yearly, page 207, and which may be considered as a gain to the public, all must confess that it is as nothing in comparison with the enormous losses, which the public has suffered by the bank crisis which occur almost every ten years. We do not know the gain which the other banks make by the issue of notes, but the public makes evidently, and at all events, a losing business of this issue on the basis of government securities, gaining annually £100,000 to £127,000, that is, about a million pounds in ten years and losing £50,000,000 thereby in the same time. The so called economizing by means of this paper currency leads consequently to the very opposite, and appears, accurately viewed, not as a profit, but as a decided disadvantage.

Mr. McCulloch is very right in saying (in the same Treatise, page 449):

“A paper currency is not in a sound or wholesome state, unless—1st, each particular note or parcel of such currency be paid immediately on demand; and 2d, unless the whole currency vary in amount and value exactly as a metallic currency would do were the paper currency withdrawn and coins substituted in its stead. The last condition is quite as indispensable to the existence of a well established currency as the former; and it is one that cannot be realised otherwise than by confining the supply of paper to a single source.

“The issues of paper money should always be determined by the exchange, or rather by the influx and efflux of bullion, increasing when the latter is flowing into a country, and decreasing when it is being exported. And when the issue of paper is in the hands of a single body, a regard to its interests will make it regulate its amount with reference to this principle. But when the power to issue notes is vested in different bodies, some of which may be little, if at all, affected by variations of the exchange, this is no longer the case. And instances have repeatedly occurred of the country banks having increased their issues when the exchange was unfavorable and the currency redundant. Hence the plan of exacting securities is doubly defective, inasmuch as it neither insures the immediate conversion of notes into coin, nor prevents their over-issue.”

But if, according to the view of Mr. McCulloch, the Bank of England shall limit the issue and circulation of notes, as soon as it is apparent that exchange is against the country, or rather that bullion is leaving it, I venture to draw attention to the fact that the cause of the efflux of bullion, viz.: the overtrading stimulated by abundant issues, and the consequent imports of goods, has happened in a previous period of time, which later continues to exercise its influence, and that the management of the Bank is at a later period not able to remove this previous cause. The abundant issue of paper having a tendency to raise the price of goods, the latter would consequently be imported, and sold at high prices; and specie would

be demanded for the paper, in order to be sent out of the country, and this would make a constant draft on the banks. It would, therefore, be happy if there could never exist a too abundant issue of notes. If my plan were adopted, and notes should only be issued in exchange for the precious metals, an over-abundance or over-issue could not take place, as the issue would regulate itself according to the known laws of demand and supply. If much gold was demanded, this would be exchanged for notes, and vice versa; and there would always be as much gold in the vaults of the issuing institution as notes in circulation, and there would never be any occasion to suspend payment or to suspend any bank act; and all calamities connected with those suspensions would be avoided.

It seems to be an advantage of this plan that the issue would regulate itself by the exchange, whilst Mr. McCulloch wishes that the issues should be determined by the exchange by means of the Bank of England; but it ought not to be overlooked that a great discretionary power, not controlled by any check, is hereby put into the hands of the managers of the bank to expand or to contract the issue, and consequently to exercise a great influence on the prices of all goods, a power full of temptation to use it for the interest of the issuer in order to buy and to sell with a sure profit, and not to use it for the general interest. This danger is fully avoided by my proposal.

Differing as I do on these points from the views of Mr. McCulloch, I state that these are the only points of controversy, and that I have been happy to find that his views expressed in his treatise agree in most essential questions with those which I have published in my treatise on "*Die neuere Entwicklung des Bankwesens*," in the year 1856, and that this was the reason why I translated his treatise of 1858 into German. (The translation has just been published at Leipzig.) I hope that Mr. McCulloch will regard my frank avowal of dissent on some questions as a testimony of the high esteem I feel towards him, being persuaded that so distinguished a gentleman and scholar will excuse the dissenting opinion of one who professes to be merely in search of truth.

Looking back to my proposed plan, I must openly say that I do not expect that this arrangement, which is the most convenient and the least dangerous for the public, will soon be made; but it is rather probable that we must still learn from very serious experience before the conclusion will be adopted that the gain from issue must be given up, which, as experience shows, is the cause of all evil and of all losses of the public. But I hope that perhaps at some later period, at a new revision of the Bank Act in England, these views may receive some attention.

Formerly it was often asserted that among the conditions upon which the creation of the currency could be granted was the unlimited individual liability of the issuing parties; and it is known that upon this condition the important function of the issue of notes has been committed to the banks of Scotland.

Mr. Logan says in his work, "*The Scottish Banker*," p. 6: "A royal charter cannot in principle confer privileges at variance with the laws of the land, which 'trading under a limited responsibility,' to all intents and purposes, is. An exemption from the ordinary liability of traders would expose the public to loss, in order that a few speculators might reap a benefit." And Mr. McCulloch states the facts that "in 1793 and in 1825,

when so many of the English country banks were swept off, there was not a single establishment in Scotland that gave way." We may account for much of this stability to the unlimited responsibility of the shareholders or partners of the Scottish banks, as furnishing to noteholders and to depositors increased protection against danger of ultimate loss. The experience of the Scottish banks is conclusive as to the beneficial nature of the results springing from the practical application of the principle of the unrestrained liability of individuals, as furnishing to the public a very strong guarantee against fraud; but the principle affords little or no security against those alternate expansions and contractions in the paper currency of a country, and those fluctuations in its real value or purchasing power which tend to give to all commercial undertakings a gambling character; but which are inseparable from the issue, by trading associations, of paper substitutes for metallic money. The only infallible test of the soundness of any scheme of paper issues is to be found in the identity of the phenomena with those which would take place with a currency purely and exclusively metallic, and it is as issuers of paper money that the Scotch banks are chiefly open to criticism. In times of prosperity they push out their notes and credits to an undue extent, and are consequently compelled to diminish them as violently when circumstances alter,—thus inflicting on the public oscillations in the currency much more violent than could occur with a metallic circulation, or with paper regulated on sound principles. It is also notorious, and not denied, that in Scotland the use of gold is almost unknown. In the recent crisis, two of the principal Scotch banks, the Western Bank and the City of Glasgow Bank, were compelled to stop payment, and their management displayed anything but ordinary skill and prudence. The suspension of the offending banks led to a run on some of the other banks. Large amounts of gold were carried from the Bank of England to Scotland, and this led to the suspension of the Act of 1844 in the year 1857. These facts show that the Scotch banking system cannot stand without the support of England, and that its issuing power is not without danger to the public.

But the American banks are still less fit to be entrusted with the power of issuing notes, which they actually possess. The Scotch banks are by far preferable to them. In order to show the truth of what has been said by examples, I shall compare the fundamental principle of the Scotch with the American banking system. The decided superiority of the Scotch banking by unincorporated companies—each member of which is responsible, in his whole personal and real estate, for all the debts contracted by the company, consequently for the whole of paper issued—consists in this fact, that according to this system, self-interest operates as the desired check, and compels the bankers to confine their issues within the limits of ever-ready redemption, so as to avoid ruin. The interest of this system is a careful confinement or curtailment of the issue; the interest of American banking, which has the privilege of trading under a limited responsibility, is the utmost expansion of the issue, or, in other words, the over-issue—that very danger we wish to avoid; it contains in its principles, therefore, the germ of its destruction. The present American banks, as every one knows, issue in competition with other banks as much paper as possible, in order to make large profits during the time of specie payment, as well as during the time of suspension, when they also gain by the discounting of

their notes done by their agents, since no evil accrues to themselves by their suspension, being by favor above the law, like sovereign princes. Over-issue and its too well-known consequences follow, therefore, necessarily from the very nature of this system; and, since such is the case, they will ever follow, just so long as this system exists, no matter what legislative provisions may be made concerning them. *

In the present state of affairs in America, when banks that have made large dividends suspend specie payments, they do nothing to alleviate, but on the contrary break down their debtors, and they buy up their notes by agents at a discount; and thus continue to profit while the people lose by their suspensions. Paper money, it is asserted, is a means of creating capital and of saving labor. If the labor performed in order to preserve the credit of the paper had been bestowed upon the digging of the ore and coining gold and silver, we should have a sufficient amount of a real, in the place of the present imaginary, exchanging medium, which is nothing but the representation of a quantity of goods in the country under bond and mortgage. Banks represent and circulate, but they do not create capital, and they act as stimulus. Justice is, in fact, perverted by the present banking system. The morality of the people, which is worth more than gold, is endangered by the temptation of spending their earnings immediately, so long as this money, which seems to have no permanent value, is thus thrust into the hands of the poor laborers.

There is this difficulty in the way of a reformation: All stockholders, whatever may be the amount of their stock, receive from their present investments greater profits than they would do under a safer system. They would, therefore, prefer the old system until compelled by the people to adopt a new one. The crisis will soon arrive when all paper money will be refused except at the specie value, and the people will unite in demanding a nearer approximation to the specie standard. No legislative enactments can afford an adequate remedy for the evils resulting from incorporated paper money banks; they cannot, surely, be sustained if the people will not take their notes for anything but specie. The poor would be much more happy with a more steady currency, as the wages of common labor adapt themselves more slowly to the changes which happen in the value of money than the price of any other species of commodity. Moreover, the bills of broken banks are more apt to get into the hands of these unhappy people, owing to their ignorance of the value of paper and the condition of banks, and owing, also, to the fact that many heartless and cunning employers, who belong to the better educated class, who *have* the means of knowing these things, pay their poor laborers in the money

* I here speak only of the comparative value of the systems, neither for nor against bankers and stockholders; what regards the latter—they, in some of the Eastern States, as New York, Massachusetts, &c., deserve for their prudence, during the last years of difficulties, the highest praise; it is the system itself which prevails throughout the States that is to be reformed. If *truth* should clash against the *interest* of some, they must blame truth, not me; or rather they must reconcile *their* interests with the true interests of the country. Truth and justice have always been, throughout all history, and seem ever to be, at war with the interests of those men who pervert the true condition of society to their advantage, against the interest of weaker people.

of these banks, which they know beforehand are worth just nothing. If we put the question whether it would be ever possible to substitute in the United States for their 1,400 banks of issue one single independent institution only for the issue of notes, we should feel inclined to negative this question, for it seems improbable that ever such a change could be made; but still the following reasons speak for such a plan :

Strictly and judicially speaking, all the notes in circulation in the United States of America are illegal, void, and of no value, since the Constitution of the United States clearly declares them to be such; the people could therefore strike upon the simple expedient—as the only true regulator of their currency—never to receive or to pay bank notes.

The most important consideration with respect to the issue of notes in the United States would be its constitutionality.

According to the Constitution, Art. I, Sec. 8, Congress has no right to create a bank of issue and discount; and this is very wise, for in a country like this, where the acquisition of wealth is the prime object of the majority of the people, and where, notwithstanding, there are but few individuals who possess sufficient to check or counteract the evil influence of a gigantic bank, money power is the greatest and most difficult of all to guard against; such a power, emanating from a United States Bank, would be the greatest power in the country, and would still have no constitutional check, and would therefore be greatly abused.

Instead of it the question is, whether it is possible for the General Government to use the power granted to it in the Constitution, Art. I, Sec. 8, 5, which is as follows, viz: "The Congress shall have power to coin money, regulate the value thereof," &c. This gives to Congress the whole power to regulate the standard of value of money. It is still more evident that it was the intention of the framers of the Constitution that Congress alone should have the sole power, from Art. I, Sec. 10, where it is directly denied to the States in these words: "No State shall coin money, emit bills of credit, or make anything but gold and silver a tender in payment of debts." Consequently, there shall either be no issue of notes at all, or it shall be under the sole control of Congress, but certainly without any discounting, as a bank would not be constitutional. In this case, Congress shall be confined to the letter of the article of the Constitution, and only possess the power of coining and regulating the standard thereof. This opinion appears to be true, since the currency and the value of it is governed by the laws of exchange throughout the world. No government can regulate the currency in any other way than to fix a standard; and this can be best done with specie. As shown above, the States have no control over, nor any right to manufacture notes. For it is a known and settled principle that no one can transfer to another a right which he does not himself possess. "*Nemo plus juris in alium transferre potest quam quod ipse habet.*" Since no State can coin money, or emit bills of credit (under which paper money is included), can they make anything but gold and silver a tender in payment of debts? No State has itself a right to make money, no matter whether gold, silver, or any other material, and therefore it cannot transfer this right to banks by charter, wherefore these charters are wholly unconstitutional. Upon the supposition, however, that it be correct for Congress to control the issue of notes, the plan proposed by me might perhaps be practicable. Con-

gress alone would have the right and the power to prescribe how the issue of notes might be made by one issuing body, whilst all the charters of the State banks and their notes are wholly unconstitutional, and could be declared to be so. In order to avoid a crisis, their notes ought to be gradually exchanged for the precious metals.

With these remarks I conclude the discussion of the main object of my article: I merely append some observations on another important subject intimately connected with the credit system, viz., the connection existing between the paper money system and the tariff. If, by an over-issue of paper money, in such countries as intend to use the tariff as a protection of their home industry, prices rise above their customary level, merchants will take advantage of it, on finding that they can import abundantly with profit, over and above the payment of duties, from foreign countries where no artificial paper system swells the price to an equally unnatural extent. In that case the tariff operates no longer as a protection. If, for instance, prices rise forty or fifty per cent., which is no uncommon occurrence during an over-issue of paper money, and if those articles are protected by a duty of twenty per cent., the importer gains still a handsome profit, after having paid the duty; and the producer, for whose benefit the protection was intended, must sell his products with a loss, or cannot sell them at all, in the competition of the market. Therefore, where the tariff is intended as a protection, there also the standard of value must be as stable as possible. Strange, it appears, that the same persons who are for a high tariff, frustrate the latter by their demand for an abundant issue of paper. If the producers understood rightly their own interest, they would not be in favor of such issuing; the speculators only can be in favor of the latter. In regard to the nature of the tariff itself, a revenue tariff, with a protection only of those branches of industry which are natural to the country, and, as such, are apt to acquire a sound flourishing state, seems to reconcile the conflicting interests. By protection is not to be understood a duty equal to a prohibition—for this would annihilate the idea of a revenue—but only such a duty, that the existing branches of industry can stand in competition, and may not be brought to ruin. A protecting duty ought only to be so high, that after its payment, some foreign goods can be imported; this preserves the stimulus of competition, which induces the producers to exert themselves. But to produce and call forth artificially branches of industry, and to form a class of manufacturing laborers, can certainly not be the policy for a country like America, holding out so strong inducements for investments in agriculture, where industry is surely and richly rewarded, without the sacrifice of health, and without the contaminating influences of a dense manufacturing population. The agriculturists—under which I include all who produce the raw material, the lords of their lands—are happier than the manufacturers, and seem to be the very pride of the country. It is evidently for their advantage to purchase their articles for consumption as cheap as possible, and, therefore, it is for their interest to patronize free trade. With an increasing population and wealth, manufactories will naturally grow, as competition for labor will be abundantly added to the vast natural resources. But since all do not prefer the occupation of agriculturists, and since the natural inclination and talent ought to be consulted and regarded in such questions, and since some Americans, like the English,

seem to desire the manufacturing business, the above-mentioned views in regard to a tariff seem to be demanded; but, we must recollect, that whatever is done in the way of protection for the manufacturers, is a sacrifice to their advantage by the whole people. The interests of the United States are, in this respect, very similar to those of the Zollverein, of whose tariff I have spoken in a previous article, to which I refer on this point.

I coincide, of course, with the truths of political economy, in regard to the subject of free trade; and consider, therefore, a revenue tariff as only justifiable, if the artificial condition and policy of other countries disturb not the practical application of those truths.

I conclude this essay with the remark, that I am entirely disinterested in my views, and have no wish to come within the sphere of political contention. I am simply desirous of contributing towards the full discussion of a few of the most important questions regarding the currency now agitated in most countries. *

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

We have received the returns relating to the trade between this country and Great Britain, bringing down the figures to the 1st of July, and from them have prepared the following review. With the exception of breadstuffs, the returns show most favorable results, the totals for the first six months of the present year being greatly in excess of the corresponding period in 1865 and 1864.

The total declared value of the exports of British and Irish produce and manufactures during the six months ending June 30 was £92,857,530. In the corresponding period in 1865, the aggregate value was £74,128,633, and in 1864 £78,047,586. The increase during the present year, as compared with 1865, is no less than £18,700,000; and, on comparison with 1864, £14,800,000. For the month of June, however, owing to the panic in England and the high rate for money, the exports were less than during any preceding month, January alone excepted; and it seems probable, then, when the returns for July shall have been issued, a further diminution will be shown. For each of the six months in each of the last three years, the exports of British and Irish produce and manufactures from Great Britain were as under:

	1864.	1865.	1866.
January.....	£10,413,586	£10,489,399	£14,354,76
February.....	12,698,121	17,376,214	15,116,08
March.....	13,555,674	13,770,154	17,529,54
April.....	13,225,089	12,071,111	15,301,44
May.....	14,176,640	13,194,738	15,521,12
June.....	18,978,526	13,227,012	14,521,25
Total.....	£78,047,586	£74,128,633	£92,857,53

The return of imports embraces a period of five months; for that period during the current year, the imports were of unusual magnitude.

* For further explanations I refer to my treatise "Ueber die neuere Entwicklung des Bankwesens in Deutschland," and to my appendix to the translation of "Mr McCulloch's Treatise on Metallic and Paper money and Banks."

The computed real value of the principal articles imported being £92,029,657, against £59,993,184 in 1865, and £77,111,991. The increase in 1866, as compared with 1864, amounts to £23,000,000. In cotton, the increase is no less than £23,000,000—£20,000,000 being the value of the augmented import from the United States—whilst in wheat and flour there is an increase of £3,000,000. For each month in each of the last five years to the close of May, the computed real value of the principal imports was as under :

	1864.	1865.	1866.
In January... ..	£7,520,856	£6,398,939	£9,847,564
February	13,214,541	12,891,252	16,610,159
March.....	16,896,928	18,005,394	19,891,204
April.....	17,587,565	18,078,755	22,455,968
May.....	22,892,601	14,595,834	23,224,762
Total	£77,111,991	£59,993,184	£92,029,657

Respecting this country, the value of the export trade in British and Irish produce and manufactures during the five months ending May 30, was nearly £9,000,000 greater than in 1865, and £3,000,000 in excess of 1864. The extent of this trade in each year will be seen in the sub-joined statement :

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£9,982,246	£4,775,786	£12,456,897
" Southern.....	55,463	21,948	502,518
Pacific ports	890,828	157,747	890,745
Total.....	£10,818,537	£4,955,483	£13,249,85

COTTON.

The return relating to this staple presents many features of interest, the principal of which is the very large increase in the import from the United States. The arrivals from the East Indies have also been on a very extensive scale, and exceed any former period. Brazil also shows an increased exportation, whilst from Egypt and Turkey the receipts show a considerable falling off, more especially as regards the latter country. From China there has been no importation during the present year. In the month of June, out of a total import of 1,677,672 cwts., 759,160 cwts. were from the United States, and 728,646 cwts. from the East Indies. Annexed is the statement of imports for the six months :

	1864.	1865.	1866.
From United States.....cwts.	92,069	70,835	3,231,069
Bahamas and Bermudas.....	155,244	152,076	5,931
Mexico.....	141,115	220,393	3,145
Brazil	182,216	222,506	406,678
Turkey.....	124,047	152,647	72,591
Egypt.....	708,244	769,871	619,538
British India.....	1,608,773	1,135,842	2,378,199
China.....	411,869	210,885	.....
Other countries.....	128,891	174,248	182,631
Total.....	3,546,968	3,106,853	6,857,742

The computed real value of imports for the *five* months, was as follows :

	1864.	1865.	1866.
From United States.....	£275,286	£443,858	£20,221,557
Bahamas and Bermudas.....	1,652,083	1,230,405	24,089
Mexico	1,648,955	1,399,989	23,591
Brazil.....	1,709,909	1,556,298	2,802,973
Turkey	925,657	645,193	482,520
Egypt.....	7,388,725	5,328,843	5,020,493
British India.....	11,621,924	4,688,073	9,066,887
China.....	2,610,082	936,099	.....
Other countries.....	1,038,060	959,129	750,642
Total.....	£29,340,681	£17,182,897	£28,397,752

The exports of cotton from Great Britain show no proportionate increase to the imports, only 370,000 cwts. having been taken this year more than in 1865. The following were the quantities taken for export from Great Britain in the first six months of each of the last three years:

To	1864. cwts.	1865. cwts.	1866. cwts.
Russia.....	121,290	83,074	122,000
Prussia.....	6,798	15,381	2,200
Hanover....	31,652	13,287	1,500
Hanse Towns	261,979	231,177	400,000
Holland.....	206,847	184,872	236,000
Other Countries.....	428,842	561,573	742,000
Total	1,056,908	1,182,364	1,583,000

BREADSTUFFS.

Our latest advices from England report more firmness in the wheat trade, with an upward tendency in prices. The markets in England have recently been subjected to numerous fluctuations. The commencement of the war on the Continent of Europe caused prices to advance 6s. to 10s. per quarter; but the probability of the conflict being brought to a termination, combined with fine harvest weather, and favorable prospects respecting the crops, had the effect of producing considerable business in the trade, and the improvement above noted was subsequently lost. We learn, however, that the weather in England had become changeable, and as harvest work had just been commenced, much anxiety was felt. At latest date, there were no sellers of wheat, except at high prices. In France, the crop of wheat is much below last year, but is, nevertheless, about an average in extent. A good crop of wheat has been secured, both as regards quantity and quality. Subjoined is the statement of imports of wheat, maize and flour into the United Kingdom for the six months ending June 30:

WHEAT.

From	1864. cwts.	1865. cwts.	1866. cwts.
Russia.....	1,195,411	2,003,320	2,600,000
Prussia.....	2,306,932	2,300,322	1,000,000
Denmark.....	484,838	231,005	14,000
Schleswig, Holstein, and Lauenburg.....	159,753	134,640	73,000
Mecklenburg	334,047	201,705	22,000
Hanse Towns.....	340,539	245,822	215,000
France.....	437,894	400,000	2,000,000
Turkey, Wallachia, and Moldavia.....	227,357	352,233	25,000
Egypt.....	366,842	.....	7,000
United States.....	3,879,304	212,901	2,500,000
British North America.....	140,423	21,187	5,000
Other Countries.....	234,422	595,066	2,000,000
Total.....	10,047,102	7,462,268	11,500,000

FLOUR.

From	1864. cwts.	1865. cwts.	1866. cwts.
Hanse Towns.....	173,911	122,294	20,000
France.....	1,342,316	1,231,380	2,700,000
United States.....	1,102,554	106,004	150,000
British North America.....	101,227	14,136	6,000
Other Countries.....	53,643	73,871	120,000
Total.....	2,744,751	1,562,375	2,180,000
INDIAN CORN.....	1,062,916	2,076,918	6,150,000

It is curious to observe that the return for June shows, for the first time on record, probably, no importation of wheat from the United States, and only 1,023 cwts. of flour. For Egypt, in June, 7,012 cwts. of wheat were

received, being the first supplies for a considerable period. It may therefore be presumed that Egypt has at length grown sufficient wheat for her own consumption, and is again likely to become an exporting country. For some period, owing to the remunerative prices obtained for her cotton in England, the cultivation of cotton was so much extended, whilst that of wheat was so greatly reduced, that Alexandria became an importer of wheat, and was compelled to purchase large supplies of produce at ports in the Black Sea and Sea of Azoff. The close of the civil war and the fall in the price of cotton appear, therefore, to have brought agriculture in Egypt to the position in which it stood previously to the outbreak in this country.

BRITISH AND IRISH PRODUCE AND MANUFACTURES.

The statement is very favorable, so far as the six months is concerned, and although there is a falling off in June, as compared with May, the figures for June present very satisfactory results. For the six months ending June 30, the declared value of the exports of the leading articles of British and Irish produce and manufactures was as follows:

Alkali.....	£227,718	£197,899	£2478,078
Beer and ale.....	82,587	17,829	35,548
Coals.....	55,756	45,912	40,424
COTTON MANUFACTURES—			
Piece goods.....	1,244,635	642,648	2,052,299
Thr ad.....	187,537	50,865	188,511
Earthenware and porcelain.....	233,357	164,180	375,928
Haberdashery and millinery.....	616,999	325,435	758,818
HARDWARES AND CUTLERY—			
Knives, forks, &c.....	73,678	60,794	145,540
Anvils, vices, &c.....	57,622	37,652	55,546
Manufactures of German silver.....	178,761	82,689	345,324
LINEN MANUFACTURES—			
Piece goods.....	1,595,120	1,123,345	2,187,621
METALS—			
Iron—Pig.....	183,736	52,617	157,351
Bar, &c.....	568,144	77,395	281,948
Railroad.....	640,344	128,898	435,280
Castings.....	11,445	1,908	9,554
Hoops, sheets and boiler plates.....	180,947	28,398	167,463
Wrought.....	189,581	72,699	117,694
Steel—Unwrought.....	323,500	140,930	322,348
Copper, wrought.....	12,971	18,096	26,546
Lead, pig.....	173,241	16,547	62,231
Tin plates.....	512,036	399,132	740,735
Oilseed.....	45,942	1,548	119,391
Salt.....	17,932	13,492	67,583
SILK MANUFACTURES—			
Broad piece goods.....	61,794	31,050	85,054
Handkerchiefs, scarfs, &c.....	15,169	999	5,685
Ribbons.....	27,441	12,077	23,199
Other articles.....	65,738	49,144	63,758
Other articles mixed with other materials.....	26,190	13,541	35,127
Spirits, British.....	9,678	867	7,167
Wool.....	35,742	366	242
WOOLLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds.....	623,231	171,793	539,311
Carpets and druggets.....	245,860	75,457	336,336
Shawls, rugs, &c.....	53,414	9,319	20,672
Worsted stuffs of wool only, and of wool mixed.....	1,526,846	920,758	2,028,079

PROVISIONS.

With the exception of cheese, the imports are in excess of last year. Of eggs, the imports into the United Kingdom in the six months ending June 30, were on a scale of great magnitude, and greater than in any former year. Considering the high prices, however, the imports do not

show so large an increase as might have been expected. For the six months the imports were as under :

	1864.	1865.	1866.
Bacon and hams, cwts.....	815,965	403,449	451,744
Beef, salt, cwts.....	234,187	181,471	121,821
Pork, salt, cwts.....	134,134	95,580	124,177
Butter, cwts.....	409,908	455,752	464,666
Cheese, cwts.....	234,175	240,503	192,439
Eggs, number.....	172,450,000	195,218,100	240,300,000
Lard, cwts.....	101,616	75,000	131,235

LIVE STOCK.

The imports of sheep into Great Britain have increased, but of other stock they have declined. As regards beasts and calves, the decline arises from the circumstance that the British Government have prohibited the importation of cattle from Dutch ports, and only within a very short period has the prohibition been rescinded so far as Friesland and Groningen are concerned. Below we give the imports of livestock into Great Britain for the six months ending June 30 :

	1864.	1865.	1866.
Oxen, bulls and cows	47,966	74,392	71,927
Calves.....	15,928	18,785	11,122
Sheep and lambs.....	129,380	260,212	411,739
Swine and hogs.....	18,802	28,706	24,577

SHIPPING.

During the month of June, and the six months ending with June, the following number of American vessels entered and cleared at British ports in the United Kingdom :

	Number.	Tonnage.
Entered in June, 1866.....	39	2,025
do 1865.....	11	11,225
do 1864.....	29	31,494
Entered six months ending June 30.....	230	222,512
do do do 1865.....	117	127,108
do do do 1864.....	202	227,571
Cleared in June, 1866.....	50	52,877
do 1865.....	30	13,965
do 1864.....	30	31,739
Cleared six months ending June 30.....	263	233,221
do do do 1865.....	168	156,273
do do do 1864.....	213	256,639

The annexed statement shows the number of vessels, of all nationalities, entered and cleared at ports in the United Kingdom, from and to the United States, in the above periods :

	Number.	Tonnage.
Entered in June, 1866.....	143	12,432
do 1865.....	34	4,804
do 1864.....	87	8,501
Entered in six months ending June 30, 1866.....	848	72,446
do do do do 1865.....	285	27,022
do do do do 1864.....	515	5,111,627
Cleared in June, 1866.....	91	104,577
do 1865.....	71	2,506
do 1864.....	98	92,100
Cleared in six months ending June 30, 1866.....	739	785,746
do do do do 1865.....	306	422,540
do do do do 1864.....	637	648,739

PITTSBURG—ITS PRESENT AND FUTURE.

BY J. A. BLAKE.

Pittsburg is the greatest and the richest mining centre in America. It ranks the third city in manufactures, and its commercial facilities are unrivaled. Situated at the confluence of the Monongahela and the Allegheny, the banks of the former ribbed with coal veins and beds of iron ore from source to mouth, and the banks of the latter, with its tributaries, bordered by the richest oil lands in the world; at the head of navigation on the Ohio, by which she has commercial intercourse with the whole great South and West, and the cities across the ocean; at the junction of the two richest rail thoroughfares in the country; yearly planning and receiving new channels for her trade East, West, North, and South; and extending a net-work of railroads that control and bring to this city the products of every mining field within a radius of two hundred miles; forging the great guns and the iron-clads that made the old Union strong again; and making ploughshares, engines, and implements of agriculture for the "piping times of peace;" the centre of the great steel, iron, and glass works; a Newcastle, a Sheffield, a Birmingham, a Staffordshire; everything that any city could ever aspire to be, in commercial, manufacturing, mining and political position, is Pittsburg.

It is our purpose, in this article, to find out the chief elements of our prosperity, to give statistics of our trade, to exhibit our present wealth and commercial importance, to speak of the obstacles where we might mend and of the facilities where we excel, and to trace our future. We shall begin by stating the element that has both been the beginning and the chief cause of our prosperity.

THE COAL TRADE.

The coal fields surrounding Pittsburg are 15,000 square miles in extent. The developed fields lie along the Monongahela, Youghiogeny, and Allegheny Rivers, and along sections of the Pennsylvania, Connellsville, and Pittsburg and Steubenville railroads. The collieries of the Monongahela, which mainly furnish the markets with "Pittsburg Coal," are about seventy in number, covering 12,894 acres, and valued at \$4,809,875. They employ 3,485 hands. It is estimated that they have furnished, in the last twenty years, 13,097,581 tons of coal. The value of tolls collected from shipments of coal in the several pools of the Monongahela slack-water, during 1865, was upwards of \$85,000, an increase of \$45,500 in two years.

The coal freights of the Youghiogeny are brought to this city by the Connellsville Railroad. There are 22 collieries along this road. They embrace 3,929 acres, and are valued at \$1,000,000. They employ 900 men. From these collieries the average amount transported over the Connellsville Railroad, for the past five years, has been about 2,000,000 tons, worth \$5,000,000.

In the hills immediately circling the city there are some ten or twelve coal works, covering an area of 1,570 acres, valued at \$1,256,000, and giving employment to about 1,500 hands. Several of our rolling-mills across the Monongahela, in Sligo and Birmingham, are supplied directly

by collieries a few feet above them. Graff, Bennett & Co., who consume nearly 10,000 bushels a day, mine their coal in the adjoining hill-side. These "city mines" furnish nothing for outside markets. They yield a yearly product of 3,000,000 bushels, all of which is consumed by our rolling-mills and ironworks.

The collieries that border the Pennsylvania Railroad from this city to the "foot of the Mountain" are not usually classed as in Pittsburg measures, though the most valuable lie nearest this city. The bulk of the bulk of the trade goes East. Those immediately in the vicinity of the city cover about 1,000 acres all told, employ 400 hands, and send to this market an annual average of about 4,500,000 bushels. The Allegheny Valley collieries, though neither very numerous nor productive, extend over a large tract of territory, perhaps 1,500 acres, and employ about 500 hands. From these collieries, the Allegheny Valley Railroad brought to this city last year about 70,000 tons. These coal lands are considered exceedingly valuable, and but for the limited facilities for transportation at the very season when their product is most called for, they would no doubt be extensively worked.

The exact depth and value of the coal measures around Pittsburg it is impossible to figure. But the upper seam alone averages eight feet in thickness. An industrial writer figures the contents at 53,516,430,000 tons, which, at \$2 per ton, would be worth \$107,032,860,000. The total number of collieries at present in operation in the Pittsburg coal field, embracing the whole range which we have described, is 103; hands employed, 6,424; value of lands, \$7,589,700; value of annual coal product, \$5,000,000.

It is impossible to point out in figures the influence of the coal trade on the birth and growth of Pittsburg. It has opened the way for all our great manufactories, gives employment to nearly 7,000 miners, and twice as many artisans, has made men wealthy, built our churches, educational institutions, and charity schools. In fact, coal is Pittsburg. It built Pittsburgh, made it a rich, populous city, put into its coffers such abundant solid wealth that, when the rebellion came, it lost \$30,000,000 without shaking its credit.

OUR OIL TRADE.

A discussion of our manufactures would naturally follow what we have said about the coal trade, but we prefer to consider our oil trade first, not because it is in the front rank of all our industries merely, for it overtops them all, but because it is more in the province of this journal, and its sudden and unparalleled growth and influence on our prosperity demand large figures. Five years ago, the oil trade of Pittsburg was in its infancy. The following table will show its progress and value. The receipts by the Allegheny River for seven years, ending December 31, 1865, were as follows:

Years.	Barrels.	Av. price of crude.	Vessels.
1859.....	7,087	\$.....	\$..... ..
1860.....	17,161	.....	..... ..
1861.....	94,102	2 75	268,780 50
1862.....	171,774	1 75	300,604 50
1863.....	175,181	3 87	677,950 37
1864.....	476,989	10 25	4,888,624 75
1865.....	1,200,000	9 50	11,400,000 00
Total in seven years.....	2,142,194		\$17,525,960 12

The oil receipts by the Allegheny Valley Railroad for the past two years have been :

	Barrels.
1864.....	187,870
1865.....	650,000
Total in two years.....	839,870

The exports of oil over the Pennsylvania Railroad from this city in 1865 were 465,825 barrels, or an average of 1,503 barrels per day for the working days.

This vast trade has created other branches of business. It has given employment to thousands of boatmen on the Allegheny; has widened the demand for barges, tugs, and steamers; has built sixty refineries in our suburbs that furnish the domestic and foreign markets with the great bulk of their supply, and to do a business amounting to \$7,000,000 per year. It has built portable engine, tanking, still, boiler, and oil tool works, that send to the oil regions of Pennsylvania and Virginia \$2,500,000 worth of material per year. This trade has made railroads necessary in the oil regions, and Pittsburg has furnished the rails; steamers, and Pittsburg has built them; capital and labor, and Pittsburg has furnished it; in fact, the development and early success as well as the prominence of the oil trade in Venango County is due, two thirds, to the energy and tact of Pittsburg capitalists.

Pittsburg is the great centre of the oil trade—a trade whose value to the country is \$65,000,000 a year, and the revenue from which, to the Government, is also counted by millions. The tax on the refined oil, in this city, during the single month of October, last year, was \$36,951 10, gain of \$13,095 30 over 1864. That some idea may be formed of the amount of business done by our oil merchants, it is sufficient to instance Messrs. Waring & King, who, in the single month of August last (a dull month), sold 62,231 barrels, and Tack Brothers & Co., who sold 30,000 in the same time. The value of the refined and crude oil shipped over the Pennsylvania Railroad, from this city, last year, was over \$15,000,000.

Let us take a cursory glance at the source of our present and expectant supply of oil. Venango County lies along the headwaters of the Allegheny River and its tributaries. This river, either by main stream or its branches, navigable to the very wells themselves, is our chief and only direct thoroughfare for the oil trade. One million dollars would complete the Allegheny Valley Railroad to the very heart of the oil regions and bring us so close to the great supply that no city in the Union could ever hope to compete with us for the trade. But this is not done. And our enormous trade is clogged when the river closes every year. But let us look at the wealth of the district from which our wealth indirectly comes. From the returns of the Collector of Internal Revenue for the district embracing Venango County, it appears that the Government received the the following revenues from crude oil for the months indicated :

April, 1865.....	\$111,921 50	July, 1865.....	\$181,288 55
May, 1865.....	98,894 50	August, 1865.....	200,000 00
June, 1865.....	412,258 44	November, 1865.....	246,734 00

The tax on refined during the same time in that district amounted to \$700,000. The total tax on crude and refined, for the first six months of last year, was \$1,738,095. For the whole year, 1865, it was \$2,897,032 03. In 1863, the revenue derived was \$649,962 00; in 1864, \$2,255,238 80.

We give the above exhibit that some idea may be formed of the real value of the oil supply. But this must fall far below the actual figures, for the enormous tax on crude oil has cheated the Government out of half its dues, falsified the figures, and put a discount on the production which otherwise there would be every temptation magnify.

All the oil that comes to Pittsburg from Venango County comes to its natural and easiest market. Upper Oil Creek, Bennehoff Run, and Pithole send considerable oil to Philadelphia, New York, and Cleveland direct, by the Oil Creek, Atlantic & Great Western, and Philadelphia & Erie Railroads. This is largely the case when the navigation of the Allegheny is impeded. For instance, during December the Oil Creek Railroad transported 45,000 barrels of crude to Corry. Pittsburg gets some of the oil that seeks that outlet. With these statistics, we leave the oil trade. We have now to discuss Pittsburg manufactures.

In manufactures, Pittsburg is pre-eminently great. The natural facilities, the capital, the energy that cluster to this point make us the Birmingham of America. Our growth is unprecedented. The total value of all the manufactures in Pennsylvania in 1850 was but \$155,000,000. The value of Pittsburg manufactures is now more than two-thirds that amount. The value of iron and steel manufactures in the United States in 1860 was \$180,140,615. The value of our Pittsburg iron and steel trade last year was over \$20,000,000, or one ninth the whole product. On this aggregate value, the direct tax actually paid was \$3,882,546. Pittsburg paid \$438,972. In the returns made to the Revenue Officers of this city for eighteen months, from September, 1863, to March, 1865, we find the following statistics of sales in the articles of iron and steel:

Axes, shovels, saws, spades, mattocks, picks.....	\$1,123,146 00
Forging, oil stills, tanks, boilers, shafting, steamboat irons, oil tools..	1,640,163 00
Bolts, nuts, spikes, rivets, nails, washers.....	3,318,559 00
Railroad chairs, springs, axles.....	1,200,000 00
Iron and steel bar, sheet, plate, pig.....	28,842,123 00
Wrought iron gaspipe, horse shoes, edge tools, ironware.....	481,120 00
Machinery, castings, domestic hardware.....	6,392,067 00
Total.....	\$42,998,263 00

The total production of steel of all kinds in the United States in 1865 was 18,000 tons. Pittsburg alone produced 10,000 tons, and the capacity of her steel works is 48,000 tons per annum. We control all the iron, steel, and glass markets of the West and South. Our factories multiply more rapidly than our houses. As an instance of the multitude of the iron and steel business to the railroads centering here, we may state that, in the single month of July last, the imports of iron by the Pennsylvania Railroad amounted to 1,730 tons. The number of cars employed in transferring this product was 173, and yet this was the dullest month the iron trade had experienced for years, and represented only about one-third our usual business.

Some idea of the growth of our manufactures may be gathered from the fact that the returns of October, 1865, showed a business of \$219,691 14, while those of October, 1864, were but \$185,803 07. The amount of steel exported by rail in the year ending September 1, 1864, was 11,874,202 pounds against 7,824,873 pounds for the previous year. About the same amounts with the same ratio of increase are exported by river.

The cost of "running" our manufactures may be imagined from the fact that our foundries pay out over a million dollars annually in wages, and consume 50,000 tons of metal. Our Fort Pitt Cannon Foundry paid weekly wages to workmen averaging \$5,000 during the war. Our glass factories pay \$175,000 monthly in wages. Our iron works employ over 9,000 hands, and pay annual wages of over 3,000,000.

The ratio production between this city and other cities, States, and the United States, of some of the principal manufactures, gives Pittsburg an extraordinary record. We produce one-half of all the steel manufactured, and one-fifth of all the copper used in the country. The annual value of the glass trade of the city is understated when given at seven millions of dollars, yielding an internal revenue to the Government of about \$350,000. That of the glass factories east of the mountains is given at \$3,123,000, and as yielding an internal revenue of \$156,150. It is, therefore, apparent that glass manufacturing at Pittsburg is in all things quite double that of the rest of the United States. We refine nine-tenths of all the oil that goes to foreign markets.

The quality of some of our manufactured products are such as no city, State, or Nation can rival. The best brands in the nail markets everywhere are the Juniata, Clinton, Kensington, and Eagle. The iron market of the country put forward Wayne, Sable, American, Sligo, and Duquesnes. The favorite brands of glass in all markets is O'Hara, Arsenal, and Phoenix. And in our home and foreign trade for refined oils, the call is for Standard, Soho, Petrolite, and Globe. The best qualities of manufactured steel in the country bear the mark Black Diamond, Sheffield, and Wayne.

TRADE WITH BRITISH AMERICA.

PREPARED BY MR. JAMES W. TAYLOR, SPECIAL AGENT OF THE TREASURY DEPARTMENT.

(Continued from page 116.)

The table accompanying the imports of 1864 and 1865 is as follows:

Articles.	Val. 1864.	Val. 1865.	Articles.	Val. 1864.	Val. 1865.
Animals.....	\$288,344	\$261,568	Fruit.....	\$35,380	\$36,454
Beef and pork.....	49,817	92,764	Grain.....	46,525	50,909
Butter and lard....	149,823	114,133	Gypsum.....	43,750	45,350
Coal.....	806,314	1,253,650	Hides and skins....	51,995	74,071
Codfish.....	1,278,582	1,411,377	Oil—viz.: fish oil...	101,702	194,505
Herrings & alewives.	218,046	452,387	Stone, building....	32,902	14,382
Mackerel.....	1,167,039	1,077,273	Vegetables.....	121,287	183,252
Salmon and trout...	68,829	62,177	Woodware.unmanuf.	855,840	762,535
Scale fish.....	153,310	214,574	Unenumerated.....	240,337	619,971
Other fish.....	28,784	64,528	Foreign productions.	1,897,221	1,840,193
Total.....				7,172,817	8,830,693
Total increase.....				1,657,876	

Deducting the foreign productions, it will appear that Nova Scotia exported about \$7,000,000 of her own productions last year.

The exports were divided thus :

Great Britain.....	\$764,742	United States.....	\$3,619,797
B. N. American colonies.....	1,701,054	Spanish West Indies....	289,594
British West Indies.....	1,966,459	Other countries.....	897,747
		<hr/>	
		\$8,830,493	

The principal articles exported to the United States were :

Coal.....	\$1,085,745	Hides and skins.....	\$23,952
Fish of all kinds.....	1,362,799	Stone	15,563
Fish oil.....	117,862	Vegetables, including potatoes.	148,734
Grain of all kinds.....	28,689	Wood and lumber of all kinds.	160,944
Gypsum, lime, and plaster...	40,580		

Coal and lumber are such necessities to New England that the supply of those articles will not probably be diminished by the abrogation of the reciprocity treaty. It is also alleged that the high priced soft pine lumber of New Brunswick, hitherto furnished exclusively to American manufacturers, must continue to be exported hither, whatever the duty, as "it is required for fine work and finishing purposes, and there is no substitute."

The shipping of Nova Scotia is now registered at 3,898 vessels, worth \$13,347,500, of which 491 vessels, valued at \$2,923,058, were registered during 1865. These earn freights in all directions, and are sold abroad very frequently. They are built and held by joint stock associations, often in moderate shares, and constitute a lucrative and increasing branch of business.

The tariff of Nova Scotia has always been low—an average of 10 per cent. *ad valorem*. Recently, however, since the abrogation of the reciprocity treaty, the Parliament of the province have advanced the duties upon spirits, wine, and tobacco fully one-third, and imposed duties upon articles which were free under the reciprocity treaty, as follows :

Bacon, per 100 lbs.....	\$2 00	Hams, per 100 lbs.....	2 00
Beef, per bbl	1 00	Lard, per 100 lbs	1 75
Bread, navy or pilot, per 100 lbs.	0 20	Onions, per 100 lbs.....	0 50
Butter, per 100 lbs.....	1 75	Pork, per bbl.....	1 00
Cheese, per 100 lbs.....	1 00	Tobacco, unmanufactured, per lb.	0 66
Flour, (wheat) per bbl.....	0 25		

If the confederation of the British provinces is accomplished, removing all intermediate duties, and communications with Canada are facilitated by railway and a St. Lawrence line of steamers, a material diversion of trade from the United States is likely to occur. The course of trade as developed between New England and the maritime provinces during the last ten years has been well described by Hon. Joseph Howe, of Nova Scotia: "The small vessels which bring to the United States plaster, coals, grindstones, cordwood, fish, and potatoes from the maritime provinces, take back furniture, boots and shoes, indiarubbers, books, prints, hats, patent medicines, agricultural implements, and hundreds of other conveniences, necessities, and luxuries. * * American manufactures are admitted to entry at mere revenue duties of from 10 to 12½ per cent. British manufacturers pay the same. The mill owner in Lowell can place his goods in Halifax market, paying the charges of transportation of less than five hundred miles, while the mill owner in Manchester is compelled

to pay the same duty and transportation charges of over twenty-five hundred miles of distance. * * Again, every machinist and artisan is interested in the trade. The grindstones of Nova Scotia are made from reefs covered by the high tides of the Bay of Fundy, and left bare when the tides recede. The grit is peculiarly fine. These stones are used in preference to all others in the workshops of New England, and go far back into the interiors. They are almost a necessity of the manufacturing industrial life of the United States."

Some further details of the mineral resources of Nova Scotia will illustrate the value of close commercial relations with the United States."

The more important coal-fields of this province are those of Cumberland county, lying in the immediate vicinity of the Bay of Mines; those upon the Gulf of St. Lawrence, of which Pictou is the centre, and those of the eastern part of Cape Breton, contiguous to the harbor of Sydney. The Cumberland coal-fields have been only slightly worked, the largest veins discovered lying some twelve miles from navigable water-courses. The coal-fields at Pictou lie immediately upon tide-water. One of the veins has a thickness of thirty-six feet, more than twenty six feet of which is workable coal. The deposits near Sydney are already ascertained to underlie 250 square miles—an area nearly equal to the entire workable area of the anthracite coal-fields of Pennsylvania. They are contiguous to an excellent harbor, with which the more important veins are to be speedily connected by a railway.

As soon as the necessary works can be completed, the supply from these mines may be made equal to any possible demand. The veins crop out at the surface, and probably 50,000,000 tons of coal can be raised from them without going below water-level. There are several other deposits in Cape Breton which only have been slightly worked. In reference to the Cumberland coal-fields, Mr. Dawson, in his *Acadian geology*, remarks: "These veins form reserve of coal, waiting their full development till railways extend across them, or till domestic manufactures demand a supply of mineral coal in the provinces." The railway now in progress from the European and North American Railway, in New Brunswick, to Truro, will pass over a portion of this coal-field.

The following statements will show the amount raised and sent to market from the coal-fields for the past ten years :

Years.	Tons.	Years.	Tons.	Years.	Tons.
1856.....	291,934	1860.....	304,129	1864.....	500,000
1857.....	267,808	1861.....	334,548	1865.....	652,854
1858.....	286,618	1862.....	393,621		
1859.....	267,496	1863.....	424,525		

With proper means of access to these mines, there is no reason why, within five years, the amount of coal raised and sent to market from the provinces should not exceed 2,000,000 tons annually. The means of sending them to market are unlimited, as the ocean is their highway.

In reference to the subject of coal-mining in Nova Scotia, the Chief Commissioner of Mines, Mr. Hamilton, in his report, says: "There are now thirty collieries in operation in Nova Scotia. Some of these are only barely opened, but, with one or two exceptions, works are vigorously prosecuted in all of them, and with good prospects of great and early extension at an early day. The total quantity of round and slack coal sold from the mines for the year ending 30th September, 1865, was 652,854 tons. In

addition to the territory of the General Mining Association, there are now thirty-one square miles of territory under coal-mining leases. The extent of acres under license amounts to 1,920 square miles. The spirit and activity exhibited in carrying on explorations upon the greater number of these areas under license, and the success which, in many instances, attend such exploration, indicate an early and important increase in the number of collieries in Nova Scotia. I need scarcely observe, that while the products of our mines are thus rapidly increasing, and promise to do so for a long time to come, the demand for these products in the market seems to increase in a much more rapid ratio." *

The year 1865 has also demonstrated the permanent productiveness of the gold mines of Nova Scotia. These are under the direction of the Commissioner of Mines, and the government reserve a royalty of three per cent. of their gross receipts.

It appears from the Commissioner's report that the aggregate amount of gold upon which royalty has been paid during the year exceeds that of the preceeding twelve months by about 33 per cent. The quantities are: For the year ending September, 1865, 24,867 ounces; for the preceding year 18,744 ounces; increase 6,123 ounces. There is also an increase in the average yield of gold per ton of quartz of about five per cent., and a very considerable advance in the amount of the yield for each man engaged in mining. In 1863, the average yield per man was 95 cents a day; in 1864, it was \$1.30, and in 1865, \$2.12. In these calculations the gold is rated at \$18.50 per ounce, which is below its market value. The value of gold produced last year was \$509,080, (paying \$18,038 in rents and royalties;) in 1864, \$400,440; in 1863 \$280,020, and in 1862, \$145,500.†

* See report of the Joint Standing Committee of the Massachusetts Legislature in favor of State aid to the European and North American Railway between Boston and Halifax.

† The following is the commissioners' statement of the number of hands employed in these mines, the tons of quartz raised and crushed, and the daily yield of gold per man employed for the past year:

NUMBER OF HANDS EMPLOYED			
Yearly aggregate.		Daily average	
1865.....	212,966	1865.....	500
1864.....	252,720	1864.....	577
1863.....	273,624	1863.....	870
1862.....	156,800	1862.....	625.50
Total.....	895,310	Mean.....	71.25
QUARTZ RAISED.			
Yearly aggregate.		Daily avg. per man	
1865.....	50,002,500	1865.....	254.3
1864.....	42,469,600	1864.....	166.00
1863.....	34,150,400	1863.....	124.47
1862.....	13,480,000	1862.....	66.06
Total.....	140,102,500	Mean.....	150.62
QUARTZ CRUSHED.			
Yearly aggregate.		—Avg. gold 100 lb.—	
1865.....	48,846,600	1865.....	Dwt. Grs.
1864.....	42,887,686	1864.....	1 0.49
1863.....	34,150,400	1863.....	1 22.23
1862.....	13,480,000	1862.....	1 13.67
Total.....	139,364,686	1862.....	1 0.70
		Mean.....	22.86
DAILY YIELD OF GOLD PER MAN.			
		Dwt.	Grs. Gold val.
1865.....		2	8.371 \$2.51
1864.....		1	14.030 1.38
1863.....		1	0.686 1.00
1862.....		—	22.235 .94

The fisheries upon the coasts of the maritime provinces will always be a leading interest, and is especially so to the people of Nova Scotia. Their importance was felicitously illustrated by Mr. Howe, in a speech at the Detroit commercial convention of July, 1-65. "You have behind and around you here," he said, addressing an assembly of Americans, "boundless prairies, which an all-bountiful Creator annually covers with rich harvests of wheat and corn. The ocean is our prairie, and it stretches away before and around us, and Almighty God, for the sustenance of man annually replenishes it with fish in myriads that cannot be counted, having a commercial value that no man can estimate. The fecundity of the ocean may be estimated by the fact that the roes of thirty codfish annually replace all the fish that are taken by the British and French and American fishermen on the Banks of Newfoundland."

Under the late reciprocity treaty the interests of New England connected with these northeast fisheries were materially advanced. The fishing industry of the Atlantic States, exclusive of the whale fishery, amounted in 1860 to \$4,500,000, of which \$3,000,000 was taken upon the coasts of the provinces.

PRINCE EDWARD ISLAND

The area of Prince Edward Island is 2,100 square miles—the least of the provinces, as Delaware with 2,120, and Rhode Island with 1,306 square miles, are the least of the American States. The population of Prince Edward Island, in 1864, was 85,992, or 40.95 to the square mile; income, \$214,448, of which \$162,733 was from customs at an average tariff rate of 12 per cent.; imports, \$1,638,946; exports \$982,699. The trade with the United States was 24 per cent. of imports, and 50 per cent. of exports—the general character of the trade being similar to that of Nova Scotia.

NEWFOUNDLAND.

The area of Newfoundland is 40,200 square miles: population in 1864, 137,000; revenue \$518,781, of which \$504,037 was from customs at an average impost of 11 per cent.; imports, \$5,175,251; exports, \$5,389,951. Trade with the United States is 33 per cent. of imports, but a small proportion, not more than 5 per cent., of exports,

BRITISH AMERICAN COLONIES EAST.

As a sequel to the foregoing details, which have been given with special reference to the trade of each province with the United States, some additional statements representing the combined resources of Canada and the maritime provinces have been compiled from the debates in the Canadian parliament upon colonial union.

The united population of Canada, New Brunswick, Nova Scotia, Newfoundland and Prince Edward Island, in January, 1864, was 3,628,151. Their public revenues for 1864 were \$13,260,000; expenditures, \$12,507,000. Imports in 1863, \$70,600,963; exports \$66,846,604. Total trade, \$137,447,567. Of the public domain, 45,638,854 acres have passed from the governments of these colonies, of which only 13,128,288 are under cultivation, while the area not granted or sold is 214,282,817. According to the census of 1861, the agricultural product of the United Prov-

inches was \$150,000,000, and the assessed value of farms, \$550,000,000; while in 1862, the manufacture of lumber reached 772,000,000 feet, and the exports of timber were of the value of \$15,000,000. In 1863, 628 vessels, with a capacity of 230,312 tons, were built, the sales of ships in that year amounting to \$9,000,000; while the united tonnage of the provinces is 8,530 vessels, or 932,246 tons. This fleet is distributed as follows:

	Vessels.	Tons.
1864, Canada owned.....	2,311	287,187
1863, Nova Scotia owned.....	3,539	329,554
1863, New Brunswick owned.....	891	211,680
1863, Prince Edward Island owned.....	360	34,222
1863, Newfoundland owned.....	1,429	89,703
Total.....	8,530	932,246

This exhibit ranks British America as the fourth maritime community of the world, yielding precedence only to Great Britain, United States and France. In 1863 the foreign exports representing ship-building and fishing interests were \$6,696,021. Prominence in this connexion should also be given to 2,500 miles of railway, 4,000 miles of electric telegraph, and 100 miles of ship canals.*

The time can be readily anticipated when the Canadian forests will be indispensable to the American people. They already supply many cities and districts, which are remote from the Maine and Michigan pineries; and the forests of Wisconsin and Minnesota, however extensive, will prove inadequate to meet the wants of the Mississippi and Missouri valleys. Reference has been made to the forests of New Brunswick. Those of Canada are—

	square miles.
1.—The Saguenay territory, or the valley of the Saguenay river, rich in white and red pine, spruce, birch and tamarac.....	27,000
2.—The St. Maurice region, northwest of the city of Quebec, containing large quantities of white, red, and yellow pine, spruce, birch, maple, elm, ash, and tamarac....	21,000
3.—The valley of the Ottawa, hitherto the principal seat of the lumber trade of Canada, which has, perhaps, denuded 20,000 square miles from an aggregate of no less than.....	87,761
Total.....	145,761

Hon. James Skead, of Ottawa, Canada West, proceeds with the enumeration of lesser districts—2,350 square miles between the Rideau Canal, the St. Lawrence and the river Trent, and districts east of the Saguenay and west of the Ottawa, claiming that the area available for producing pine north of the St. Lawrence is 287,711 square miles, and the area wholly or in part producing hard woods is 24,000 square miles. Far the larger portion of these timber lands are at the disposal of government.

The public debt of the provinces, incurred in the development of such

* See speech of Hon. George Brown, President of executive council of Canada, at the session of the Canadian Parliament of February 3 to March 11, 1865—(3d Session 8th Parliament)—which was occupied with discussion of the plan of confederation presented by a conference of delegates from the provinces held at Quebec, in October, 1864.

a prosperity and upon the assurance of these great natural resources, will be consolidated upon the establishment of the colonial union now under discussion, in the following amounts : *

Canada	\$65,500,000	Newfoundland.....	\$3,250,000
Nova Scotia.....	8,000,000	Prince Edward Island.....	1,941,425
New Brunswick.....	7,000,000		
Total			\$85,691,425

This adjustment is effected upon the basis of \$25 per capita of population. The debt of Canada is \$27 per capita ; that of Nova Scotia and New Brunswick less ; but liabilities in behalf of railroads have been assumed by these provinces, which will make the provision at the rate of \$25 per capita convenient and even necessary. Canada localizes the remainder of its debt.

BRITISH AMERICA WEST.

These are results of French and English occupation of the American Northland during three centuries. It will be next in order to look beyond the sources of the St. Lawrence, and consider the situation and prospects of British America west. Take the meridian of 90° west of Greenwich, which is the western boundary of Canada. If eastward we have found the area of five provinces equal to 419,315 square miles, or 268,280,800 acres, it will not be difficult to establish that west of the great lakes there are more extensive districts, which, by soil, climate, and mineral resources, are equally suitable for settlement, and which may be thus enumerated :

	Square miles.
1. Central British America, enclosed between longitude 90° on the east, the Rocky mountains on the west, and the 49th and 54th parallels of latitude, and containing the valleys of the Winnipeg, Red, Assiniboin, Swan, Saskatchewan, and other rivers tributary to Lake Winnipeg ...	360,000
2. Athabasca, a block of territory drained by the sources of the river of that name, between 110° and 120° of longitude, and 54° and 58° of latitude, recently discovered to be rich in precious metals, and which is described by Sir Alexander Mackenzie and others as quite similar in climate and vegetation to Scotland.....	50,000
3. Sources of the Columbia, in British Columbia, now the scene of great excitement by the discovery of the "Big Bend" and "Kootonais" gold fields.....	20,000
4. The valleys of the Frazer and Thompson rivers, in British Columbia....	60,000
5. Vancouver island.....	16,200
Total.....	506,200

This immense domain 323,968,000 acres is destined to greater developments of population and wealth within the next fifty years than three centuries have witnessed in the Atlantic and St. Lawrence provinces. Some reasons for such an opinion will be indicated in the remaining divisions of this paper.

CENTRAL BRITISH AMERICA.

It is now well known that northwest of Minnesota the country reaching from the Selkirk Settlement to the Rocky mountains, and from latitude

* See speech of Jon. A. T. Galt, Finance Minister of Canada, in debates upon confederation, p. 62 of report, February 7, 1865.

49° to 54°, is as favorable to grain and animal production as any of the northern States; that the mean temperature for spring, summer, and autumn, observed on the forty-second and forty-third parallels in New York, Michigan, and Wisconsin, has been accurately traced through Fort Snelling and the valley of the Saskatchewan to latitude 55° on the Pacific coast, and that from the northwest boundary of Minnesota this whole district of British America is threaded in all directions by the navigable water-lines which converge to Lake Winnipeg. English and American exploration have also established in favor of this district that its average elevation above the sea is far less than in American territory: that the Rocky mountains are diminished in width, while the passes are not difficult; that the supply of rain is more abundant, and the carboniferous and silurian formations are of greater extent than further south, and, owing to the greater influence of the Pacific winds through the mountain gorges and the reduced altitude, that the climate is no material obstacle to civilized occupation.

It is unnecessary to repeat the narrative of Lord Selkirk's colonization of the Red River of the North. Of the present community of Selkirk Settlement, numbering ten thousand, about five thousand are competent to assume any civil or social responsibility which may be imposed upon them. The accumulations from the fur trade during fifty years, with few excitements or opportunities of expenditure, have secured general prosperity with frequent instances of affluence; while the numerous churches and schools sustain a high standard of morality and intelligence. A district on the Red river from the international boundary at Pembina to the mouth of the river in Lake Winnipeg, and upon the Assiniboin river for a distance of sixty miles west of its junction with the Red river at Fort Garry, has acquired a civil organization under appointments of legislative councillors and magistrates by the Hudson Bay Company, which is officially designated as "The Colony of Assiniboia." Goods are charged with an impost of four per cent., whether brought from Europe or the United States. Land can be purchased by any one at seven shillings sterling per acre, with liberal credits and at low interest.

The American collector at Pembina, Mr. J. Lemay, reports that during the year ending December 31, 1864, the imports at Selkirk from Europe and Canada passing in bond through the United States were valued at \$252,452. He also returns \$45,457 imported from Minnesota, but expresses the opinion that four times that amount passed into the settlement from the United States. Probably \$500,000 would be an accurate statement of the importation, two-thirds of which was goods of the Hudson Bay Company.

Fort Garry, at Selkirk, is the headquarters of the Hudson Bay Company. The posts of this company, more than fifty in number, occupy very commanding situations over the immense area, bounded by Hudson bay and Lake Superior on the east, the Rocky mountains on the west and the Arctic ocean on the north. The fur trade of this territory concentrates its annual product on Red River of the north, at Fort Garry, from which point, by the annual voyages of brigades of bateaux, merchandise and supplies are distributed to the most distant post. Prior to 1858 the exports and imports of the Hudson Bay Company were principally transported by the difficult and dangerous route of Hudson bay and

Nelson river, or over the numerous obstacles intervening from Lake Superior to Red river on the British side of the international line. In 1858, however, materials were transported from the navigable waters of the Mississippi river to construct a steamer on the Red river, and two such vessels now navigate that stream. The trade between St. Paul and Selkirk has been greatly increased in consequence. As just stated, the imports of Central British America for the use of the Hudson Bay Company and the Selkirk settlers, amount to \$500,000 annually, while the average annual exports, almost exclusively furs, amount to \$1,000,000 by the Hudson Bay Company, and \$300,000 by other parties. Total exports \$1,300,009.

The river system of the Winnipeg basin, navigable by steamers, cannot be less than 3,000 miles—invaluable for the present as a substitute for railroads, and hereafter as a supplement to the railroad. Of this system of inland navigation some detail will be given.

1. The navigable capacity of the Red River of the North may be comparatively stated as follows: Ascending the stream from Lake Winnipeg, the navigation to Pembina is equal to that of the Mississippi between Prairie du Chien and Lake Pepin; from Pembina to the mouth of Red Lake river the channel may be compared to the Mississippi from Red Wing to Fort Snelling; from Red Lake river to Sheyenne, to the Minnesota from Fort Snelling to Shakopee; and from Sheyenne to Breckinridge, to the Minnesota from Shakopee to Fort Ridgely. The Red river is navigable above (south of) Pembina 400 miles by its course, while the distance from the internal line by the river to Lake Winnipeg is 175 miles; total distance navigable by small steamers, 575 miles. To this add 350 miles for the navigation of the Sheyenne, Red Lake river, and Assiniboin, (its principal tributaries), and the river coast of the Red river valley, accessible by steamers, will be found to exceed nine hundred miles.

2. Lake Winnipeg is about two hundred and fifty miles in length, but of unequal breadth. Its area cannot be less than that of Lake Erie, but it is far more diversified by islands and headlands. The western bank is alluvial, resting on limestone, while the numerous bays of its eastern shore develop the gneiss, granite, and trap rock of the primary formation. The lake is not deep, but with no shallows obstructive to navigation.

3. From a point near the northwestern angle of Lake Winnipeg, the great navigable channel of the Saskatchewan, divided into two arms at latitude 53° and longitude 106° , may be ascended by steamers to Fort Edmonton, on the north branch, and to Chesterfield House or Old Bow Fort, on the south branch, in close proximity to the Rocky mountains. The rapids of the Saskatchewan, near the mouth of the river, can hardly be said to interrupt navigation. Open-loaded boats have been tracked (drawn with a rope by men on shore) over the most violent portions of the rapids, the respective distances being one mile and a quarter of a mile, while, for descending boats, there is no difficulty. Loaded boats run the rapids with safety at every stage of water. There is abundant testimony that the valley of the North Saskatchewan, in its entire length, is so superior for the purpose of agriculture to any other traverse of the western plains, that it has received and fully merits the designation of the "Fertile Belt." The regions adjacent to Fort Pelly, Carlton House, Fort Pitt, and Edmonton House—well-known points in a general northwestern

direction from Fort Garry—are remarkably well adapted to the cultivation of grain and the sustenance of cattle. The scenery of the North Saskatchewan is fully equal to that of the Mississippi between Galena and the Falls of the St. Anthony.

The present agriculture of Selkirk confirms the evidence, from a variety of sources, that the districts west and northwest of the Red river valley are well adapted to settlement. For the production of wheat, barley, rye, oats, peas, potatoes, vegetables, grass—whatever is grown in Minnesota, except maize—the region in question will be unsurpassed by any other area of similar extent on the continent.

The eastern Piedmont of the Rocky mountains, the source of the Saskatchewan, has been recently visited by Palliser, Hector, Milton, and other tourists, who confirm the glowing description of the earliest explorer. De Smet, the devoted Catholic missionary to the Indians of Oregon. His "Oregon Missions" is a publication of much interest, consisting of letters to his superiors; and a portion of this volume narrates his explorations and adventures in the Saskatchewan valleys of the Rocky mountains. In September, 1845, he left the source of the Columbia river in latitude 50° , and crossed the Rocky mountains, descending their eastern slope in latitude 51° . He entered, on the 18th of September, "a rich valley, agreeably diversified with meadows, forests, and lakes, the latter abounding in salmon trout." This was a mountain valley, however, and it was not till three days afterwards that he reached Bow river, on the South fork of the Saskatchewan. Thence he continued northward, noticing sulphurous fountains and coal on the Red Deer, a branch of the Bow river. Descending the valley of the Red Deer, which is also described in very glowing terms, at length he emerged upon what he described as "the vast plain—the ocean of prairies." On the evening of the same day, the missionary reached and was hospitably received at the Rocky Mountain House, latitude 53° and longitude 115° , and on the 31st of October started for another journey on the plains; but, after two weeks' absence, was compelled to seek refuge from the approach of winter (then the middle of November) at Edmonton House, on the Upper Saskatchewan. From this shelter he thus writes in general terms: "The entire region in the vicinity of the eastern chain of the Rocky mountains, serving as their base for thirty or sixty miles, is extremely fertile, abounding in forests, plains, prairies, lakes, streams, and mineral springs. The rivers and streams are innumerable, and on every side offer situations favorable for the construction of mills. The northern and southern branches of the Saskatchewan water the district I have traversed for a distance of about three hundred miles. Forests of pine, cypress, thorn, poplar, and aspen trees, as well as others of different kinds, occupy a large portion of it, covering the declivities of the mountains and banks of the rivers. These originally take their rise in the highest chains, whence they issue in every direction like so many veins. The beds and sides of these rivers are pebbly and their course rapid, but as they recede from the mountains they widen, and their currents lose something of their impetuosity. Their waters are usually very clear. The country would be capable of supporting a large population, and the soil is favorable for the production of barley, corn, potatoes, and beans, which grow here as well as in the more southern countries.

"Are these vast and innumerable fields of hay forever destined to be consumed by fire or perish in the autumnal snows? How long shall these superb forests be the haunts of wild beasts? And these inexhaustible quarries, these abundant mines of coal, lead, sulphur, iron, copper, and saltpetre—can it be that they are doomed to remain forever inactive? Not so. The day will come when some laboring hand will give them value; a strong, active, and enterprising people destined to fill this spacious void. The wild beasts will, ere long, give place to our domestic animals; flocks and herds will graze in the beautiful meadows that border the numberless mountains, hills, valleys, and plains of this extensive region."

Twenty years later, in 1865, the American Territory of Montana adjoins the region which excited the enthusiasm of De Smet. Its population of 25,000, to be increased during 1866 to 50,000, have been drawn to the sources of the Missouri by discoveries of gold and silver mines close to the international border, and rumors of gulches and ledges in the Saskatchewan district, yielding even greater prizes to the prospector, are already rife, and will soon precipitate "a strong, active, and enterprising people" into "the spacious void." What is called the Americanization of the Red River settlements has been slow, although sure, since the era of steam navigation, but the Americanization of the Saskatchewan will rush suddenly and soon from the camps of treasure-seekers in Montana.

THE ATHABASCA DISTRICT.

The limit of successful agriculture in the northern temperate zone should be carried considerably beyond the Saskatchewan valley, especially near the Rocky mountains. Sir Roderick Murchison, in a recent address before the London Geographical Society, represents this chain of mountains to be greatly depressed in high northern latitudes, and indeed several of the tributaries of the Mackenzie have their sources on the Pacific slope, and wind through the mountains before falling into the great Arctic river. The mountain valleys of the Peace and Liard rivers, latitude 56° to 60°, are thus influenced by the Pacific winds, and wheat and other cereals are successfully cultivated. Sir Alexander Mackenzie describes, under date of May 10, the exuberant verdure of the mountain valleys—trees about to blossom, and buffalo attended by their young. During an inquiry in 1858 by the English House of Commons into the situation of the territory of the Hudson's Bay Company, similar statements were elicited. Dr. Richard King, who accompanied an expedition in search of Sir John Ross, as "surgeon and naturalist," was asked what portion of the country visited by him was valuable for the purpose of settlement. In reply he described "as a very fertile valley a square piece of country" bounded on the south by Cumberland House, and by the Athabasca lake on the north. His own words are as follows: "The sources of the Athabasca and the sources of the Saskatchewan include an enormous area of country. It is, in fact, a vast piece of land surrounded by water. When I heard Dr. Livingston's description of that country, which he found in the interior of Africa within the equator, it appeared to me to be precisely the kind of country which I am now describing. It is a rich soil, interspersed with well-wooded country, there being growth of every kind, and the

whole vegetable kingdom alive." When asked concerning mineral productions his reply was: "I do not know of any other mineral except limestone; limestone is apparent in all directions. * * * The birch, the beech, and the maple are in abundance, and there is every sort of fruit." When questioned further, as to the growth of trees, Dr. King replied by a comparison "with the magnificent trees around Kensington Park in London. He described a farm near Cumberland House under very successful cultivation—luxuriant wheat, potatoes, barley, pigs, cows, and horses.

In 1862 the tributaries of the Saskatchewan and Peace rivers, on the eastern flank of the Rocky Mountains, were discovered to be auriferous. A small emigration from Selkirk has been attracted by the discovery, but larger columns of immigrants will probably move from the gold districts of British Columbia on the west, and of Montana on the south. The placer mining on the north Saskatchewan has hitherto averaged \$5 to \$10 per day.

SOURCES OF THE COLUMBIA.

Until very recently—until the discovery of the Big Bend and Kootenais gold-fields in 1856—I suppose no portion of the continent was so little known as the district watered by the upper Columbia and its tributary, the McGillivray or Flatbow river. David Thompson, surveyor of the Hudson Bay Company, in 1807, selected the source of the Columbia river as a site for a trading post with the Kootenais or Flatbow Indians. Since that date these Indians have made sensible progress to civilization under the influence of the Oregon missions, as also have other more southern tribes on the western slopes of the Rocky Mountains. Indeed, the "Relations" of their missionary Bishop, Father De Smet, constitute a most glowing sketch of the oval district between Flatbow River and the upper Columbia, and which must have an extent of 20,000 square miles.

I select some passages of description by De Smet, after passing north of the boundary in latitude forty-nine degrees:

"Advancing toward the territory of the Kootenais, we were enchanted with the beautiful and diversified scenery. * * * An extensive plain at the base of the Portage mountain (probably near the western extremity of the Kootenais Pass) presents every advantage for the formation of a city. The mountains surrounding this agreeable site are majestic and picturesque. They forcibly recalled to my memory the Mapocho mountains that encompass the beautiful capital of Chili, (Santiago.) * * * The quarries and forests are inexhaustible, and, having remarked large pieces of coal along the river, I am convinced that this fossil could be abundantly procured. Great quantities of lead are found on the surface of the earth, and from the appearance of its superior quality, we are led to believe that there may be some mixture of silver. * * * After a few days' journey we arrived at the Prairie du Tabac, the usual abode of the Kootenais. Their camp is situated in an immense and delightful valley, bounded by two eminences, which, from their gentle and regular declivity appear to have originally bounded an extensive lake. * * * Thence I journeyed on towards the sources of the Columbia. The country we traversed was highly picturesque, and agreeably diversified by beautiful prairies, smiling valleys and lakes, surrounded by heavy and solemn pines,

gracefully waving their flexible branches. We also crossed dark alpine forests, where the sound of the axe has never resounded. * * * On the 4th of September I found myself at the source of the Columbia.

"When emigration, accompanied by industry, the arts and sciences, shall have penetrated the numberless valleys of the Rocky Mountains, the source of the Columbia will prove a very important point. The climate is delightful; the extremes of heat and cold are seldom known. The snow disappears as fast as it falls; the laborious hand that would till these valleys would be repaid a hundred-fold. Innumerable herds could graze throughout the year in these meadows, where the sources and streams nurture a perpetual freshness and abundance. These hillocks and declivities of the mountains are generally studded with inexhaustible forests, in which the birch tree, pine of different species, cedar and cypress abound. * * * The advantages nature seems to have bestowed on the source of the Columbia will render its geographical position very important at some future day. The magic hand of civilized man would transform it into a terrestrial paradise."

BRITISH COLUMBIA AND VANCOUVER'S ISLAND.

The foregoing description of the climate and other natural features of the upper Columbia country is applicable to the valleys of the lower Frazer River, and its tributary, the Thompson River. In regard to the climate of the Pacific provinces an intelligent correspondent of the *Toronto Globe* says: "While Cariboo and the upper country generally is probably as cold in winter as Canada, the district from Vancouver's Island to the western foot of the Rocky Mountains, including Victoria, (the commercial town of Vancouver's Island) New Westminster (the capital of British Columbia,) the lower valley and delta of the Frazer river, and the Southern inland part of British Columbia, has the best climate beyond all comparison to be found in British America—free from extremes of heat and cold, not warm enough to enervate nor so cold as to cramp; moist and mild in winter like the English climate. Roses bloom in open gardens on Christmas Day, and pansies, daisies, and mignonette flower in January. Gardening begins in February, and the spring is a long and temperate season. The summers are warmer and brighter than in England. All the conditions of climate are favorable to health and physical strength, and of equal advantage to agriculture."

Vancouver's Island, with many open districts suitable for cultivation, is rich in coal, forests of pine, and fisheries, and is destined to a prosperity quite similar to that of Nova Scotia. The writer in the *Globe*, a resident of Victoria, claims that the settlements, both English and American, upon Puget's Sound, with their inexhaustible supplies of coal, timber and iron will become the leading stations of the Pacific coast for the construction and equipment of ships, and will possess great advantages in respect to manufactures. The Rocky Mountain mines in British Columbia, especially of gold and silver, at Cariboo, latitude 54° , Big Bend of Columbia latitude 52° , and the Kootonais valley, latitude 50° , are fully equal in productiveness to the mineral districts of Montana, which are unsurpassed in Californian or Australian experience.

The population of British Columbia was 11,405 in 1863, and may be 15,000 in 1866. The estimated revenue for the present year is \$600,000

—from the following sources: customs, at an average import duty of 15 per cent., \$320,000; road tolls, \$95,000; miners' certificates and mining receipts, \$55,000; spirit licenses, \$30,000. The public debt of the colony in 1863 was \$600,000, at six per cent. interest. The finances of Vancouver's Island are in no better condition. The expenditure for a government of the population of 6,000 exceeds \$200,000 per annum, which is collected mostly by direct taxation, no customs duties being imposed. A union of the provinces will soon be effected, when it is hoped that these expenditures will be reduced.

With this cursory review of the relations of the United States and British America, it is evident that both communities are equally interested in two great objects: 1. An ocean navigation from the Gulf of St. Lawrence to Lakes Superior and Michigan; and, 2. An international railroad from Halifax to the North Pacific coast, on a route central to the forests of New Brunswick, Maine and Canada, the mineral formation of Lake Superior, the wheat-growing plains of Minnesota and the Saskatchewan valley, and the gold districts of British Columbia. The present situation of these two great interests will be briefly considered.

NAVIGATION OF THE ST. LAWRENCE.

The River St. Lawrence, as the outlet of the great lakes, drains an area of 600,000 square miles, of which 250,000 square miles belong to the United States.

The navigation of the St. Lawrence is improved by seventy-two miles of ship canals—forty-three between the Atlantic and Lake Ontario, twenty-eight by the Welland canal, connecting Lakes Ontario and Erie, and one mile at Sault St. Marie, reaching Lake Superior. The Superior ship canal aided by the Government of the United States, is the only adequate structure of the kind. The size of its locks is 350 feet long, 70 feet between the quoins, and 12 feet in depth. The problem, of which every northwestern State ardently seeks the solution, is such immediate construction of new or enlargement of existing canals as will pass vessels of fifteen hundred tons burden without breaking bulk, from the Gulf of St. Lawrence or the harbor of New York to Chicago or Superior. At present, the Superior canal is alone sufficient, as the Welland can only pass a vessel of 400 tons, and the St. Lawrence canals can pass a vessel of only 300 tons. The New York canals are of less capacity.

The movement through the Welland canal shows the proportions in which the United States and Canada share the advantage of that important communication with the upper lakes. In 1863 there passed 3,474 American vessels, tons 808,289; 3,425 Canadian vessels, tons 521,808.

In 1864-5, this comparative movement was as follows: 2,506 American vessels, tons 542,245; 3,841 Canadian vessels, tons 593,561.

The necessity of bringing the ocean vessels of all nations to the Northwest will hardly be disputed, when the progress of the lake States in the production of breadstuffs and provisions is considered.

In 1850 the lake States produced forty millions of bushels of wheat; in 1860, eighty-eight millions. In 1850 their production of corn was one hundred and eighty-five millions; in 1860, three hundred and nineteen millions. At the same rate of increase, the next ten years will bring them to the production of nearly two hundred millions of bushels of

and millions of bushels of corn. The provision market has produced wonderful results. The number of hogs slaughtered was 400,000; in 1863 the number had risen to 1,000,000 in 1860, and 344,000 in 1863. In the same year, the numbers they rose to twenty millions in 1860, to one hundred and thirty millions in 1863, chiefly from the northwest. In European markets, of the present and future provisions, the means of transportation, derived from actual experience, derived from Liverpool, it is shown that the value of a bushel of corn of wheat is also covered. The trade have expressed the value of the St. Lawrence canals, as a means of transportation from Chicago to New York, or to thirty

the United States to the value of £12,000,000, or there 18,826,351 sterling, or 13,817,069.

producers, and the relief which of the world could reach Chicago if European ships reach Odesa or Constantinople, was most clearly and forcibly illustrated.

Swart, of Detroit, at the commercial convention at Detroit. "Some years ago," he said, "the farmers

of the west could not obtain over eight cents per bushel of corn. Some professors of political economy say this was due to a great crop, and nobody to eat it. This is a grave mistake.

There were hungry men enough to eat up the whole of it. Nobody to

The want of transportation facilities ate it all up. That year forwarders got, in many instances, twenty cents per bushel from Chicago to Buffalo, and the canal rates rose as high as twenty-five cents from Buffalo to New York. In plain English, the farmer of Illinois had to give the carrier the price of five and a half bushels of his corn to get him to carry one bushel from Chicago to New York, a distance of fifteen hundred miles by water. Twenty five cents, including canal tolls, would have laid the same corn down in Liverpool had there been a chance to navigate the St. Lawrence with vessels of one thousand tons or upwards, and the owner of the craft would have been richly remunerated at that price; but on top of the forty-five cents to New York from Chicago were the charges at that port, and another charge of twenty-five cents to cross the ocean, making the charge from Chicago to Liverpool not less than sixty seven cents per bushel, when it would never have exceeded thirty cents had the right kind of vessels been able to pass down the St. Lawrence. This would have enabled the farmer to get forty-five cents for his corn instead of eight cents per bushel. With sixty bushels to the acre the amount secured in the one case was four dollars and eighty cents; in the other

Trade with British America.
We also crossed dark alpine
their flexible branches. We also crossed dark alpine
and of the are has never resounded. We also crossed dark alpine
found myself at the source of the Rocky Mountains, the
a very important point. The climate
and cold are seldom known. The climate
Innumerable herds could till these
where the sources and streams
These billows and declivities
and cypress abound.
very important at
transform it

it would have been twenty-seven dollars. This is no fancy sketch; it is a positive fact."

Mr. Stewart on the same occasion also observed: "With deep water down the St. Lawrence no interest will be more benefited than the lumber interest. With boundless and almost inexhaustible forests of valuable timber, pine is the only kind that is of any present value. Let ships of one thousand or fifteen hundred tons load at the wharves of our lake cities and, as if by magic, oak, black walnut, white wood, maple of all kinds, white ash, tamarack and spruce, would at once become ten times more valuable than they are at present. The cabinet-makers of Europe would furnish a market for your fancy woods; the West Indies would take every oak stave you could turn out, sending back in return her sugar, molasses, and other rich products, which being purchased from first hands, and landed without any extra charges but the freight at your own doors, would enable our merchants to sell these products at greatly reduced rates, thereby adding to the comfort and happiness of the great mass of the people. The railways of Great Britain would give you a limitless market for your spruce and tamarack of small growth for ties; and the wealthy cities of London, Liverpool, Manchester, Glasgow, Dublin, Bristol and Birmingham would become competitors with Chicago, New York, and Boston for your best qualities of white pine. An open market with all the world will pay the owners of timber lands better than a limited home market; and with the class of vessels named to carry the products of our forests to foreign lands, the rates of would be as low to any of the ports of Great Britain as they now are from any given point west of New York or Boston, while the prices to be obtained abroad would be much better than attainable in either of these markets."

Of the Canadian canals the Welland is of the most importance to American commerce, the transportation for 1864-'5 having been returned as follows:

	Tons
From Canadian to Canadian ports.....	199,413½
From Canadian to American ports.....	136,961½
From American to Canadian ports.....	274,941½
From American to American ports.....	254,557½
Total.....	665,874

Of this aggregate 685,157½ tons was from the west to the east, and 529,499 tons were from American ports.

The trade of the United States through the St. Lawrence from 1861 to 1865 is thus stated in the Canadian trade returns:

	For United States.	From United States
1861.....	\$522,514	\$2,515,511
1862.....	490,298	5,198,920
1863.....	515,245	2,907,518
1864 (half year).....	282,667	507,242
1864-'65.....	289,685	4,714,629

The American trade through the St. Lawrence was about 6 per cent. of the commerce by that channel.

INTERNATIONAL RAILWAY.

In the plan of provincial union proposed at Quebec, October 10, 1864, it is stipulated that "the federal government shall secure, without delay the completion of the intercolonial railway from Riviere du Loup, through New Brunswick, to Truro, in Nova Scotia." Its estimated cost is \$17,500,000. From Riviere du Loup to Ottawa, the capital of Canada, there is communication by railway.

Will England aid by imperial guarantee the immediate construction of a railroad from Ottawa, by way of Fort Garry and the valley of the Saskatchewan river, to the Pacific coast? Or will the provinces, with or without the aid of England, undertake such a continental highway?

The destiny of British America is involved in the extension of an ocean coast to the western limits of the great lakes, and a railway from Halifax to the capital of the confederation, and thence exclusively on the soil of the confederation, to the North Pacific coast. The adequate improvement of the St. Lawrence and Welland canals (without assuming the Ottawa and Georgian bay projects) involve an expenditure of \$20,000,000 and a St. Lawrence and Pacific railway, even if aided by liberal allotments of land along its line, will require, at this time, a government subsidy of \$100,000,000. Who anticipates that England will assume any material portion of such obligations and the proposed federal government of the provinces, will doubtless regard the promised communication between Halifax and Quebec as the utmost possible limit of its railway liability, at least for this century. The language of the Quebec conference, as to communications with the northwest and the improvements required for the development of the trade of the great west with the seaboard, is far short of a pledge of public action. True, a certain degree of interest is expressed in these objects; they are "regarded by the conference as subjects of the highest importance to the federated provinces, and shall be prosecuted at the earliest possible period that the state of the finances will permit;" and in another place there is a provision that "the Northwest Territory, British Columbia, and Vancouver shall be admitted into the Union on such terms and conditions as the parliament of the federated provinces shall deem equitable, and as shall receive the assent of Her Majesty; and in the case of the province of British Columbia or Vancouver as shall be agreed to by the legislature of such province." All of which seems quite inadequate when such immense resources might be brought into the circle of the world's activities if a policy was at once inaugurated ample to consummate the construction of a national highway from ocean to ocean between the latitudes of 45° on the Atlantic and 55° on the Pacific, through the teeming belt of settlements which would follow upon its track.

THE AMENDATORY TARIFF BILL.

Below we give a copy of the tariff bill passed at the session of Congress just adjourned, and approved by the President July 28 :

DEPARTMENT OF STATE,
WASHINGTON, Aug. 3, 1866. }

An Act to protect the revenue, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America, in Congress assembled, That from and after the tenth day of August, eighteen hundred and sixty six, in lieu of the duties now imposed by law on the articles mentioned and embraced in this section, there shall be levied, collected, and paid, on all goods, wares, and merchandise imported from foreign countries, the duties heretofore [hereinafter] provided, viz :

On cigars, cigar-ties, and cheroots of all kinds, three dollars per pound, and in addition thereto, fifty per centum *ad valorem* : Provided, That paper cigars and cigarettes, including wrappers, shall be subjected to the same duties as are herein imposed upon cigars ; And provided further, That on and after the first day of August, eighteen hundred and sixty-six, no cigars shall be imported unless the same are packed in boxes of not more than five hundred cigars in each box ; and no entry of any imported cigars shall be allowed of less quantity than three thousand in a single package ; and all cigars on importation shall be placed in public store or bonded warehouse, and shall not be removed therefrom until the same shall have been inspected and a stamp affixed to each box indicating such inspection, with the date thereof. And the Secretary of the Treasury is hereby authorized to provide the requisite stamps, and to make all necessary regulations for carrying the above provisions of law into effect.

On cotton, three cents per pound.

On all compounds or preparations of which distilled spirits is a component part of chief value, there shall be levied a duty not less than that imposed upon distilled spirits : Provided, That brandy and other spirituous liquors may be imported in casks or other packages of any capacity not less than thirty gallons ; and that wine in bottles may be imported in boxes containing not less than one dozen bottles of not more than one quart each ; and wine, brandy, or other spirituous liquor imported into the United States, and shipped after the first day of October, 1866, in any less quantity than herein provided for, shall be forfeited to the United States.

Sec. 2. And be it further enacted, That the second proviso in section four of an act entitled " An act amendatory of certain acts imposing duties upon foreign importations " approved March three, 1865 shall be construed to include any ship, vessel, or steamer to or from any port in the Sandwich Islands or Society Islands.

Sec. 3. And be it further enacted, That so much of an act entitled " An act to authorize protection to be given to citizens of the United States who may discover deposits of guano," approved August 13, 1856, as prohibits the export thereof, is hereby suspended in relation to all persons who have complied with the provisions of section second of said act, for five years from and after the 14th day of July 1867.

Sec. 4. And be it further enacted, That all laws and parts of laws allowing bounties to vessels hereafter licensed to engage in the fisheries be, and the same are hereby repealed : Provided, That, from and after the date of the passage of this act, vessels licensed to engage in the fisheries may take on board imported salt in bond to be used in curing fish, under such regulations as the Secretary of the Treasury shall prescribe, and upon proof that said salt has been used in curing fish, the duties on the same shall be remitted.

Sec. 5. And be it further enacted, That, from and after the passage of this act, all goods, wares, or merchandize arriving at the ports of New York, Boston and Portland, or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the adjacent British Provinces, or arriving at the port of Point Isabel, Texas, or any other port of the United States which may be specially designated by the Secretary of the Treasury, and destined for places in the Republic of Mexico, may be entered at the custom-house and carried in transit through the territory of the United States without the payment of duties, under such rules, regulations and conditions for the protection of the revenue as the Secretary of the Treasury may prescribe.

Sec. 6. And be it further enacted, That imported goods, wares, or merchandize in bond, or duty-paid, and products or manufactures of the United States, may, with the consent of the proper authorities of the provinces or republic aforesaid, be transported from one port or place in the United States to another port or place therein, over the territory of said provinces or republic, by such routes, and under such rules, regulations and conditions as the Secretary of the Treasury may prescribe; and the goods, wares, and merchandize so transported shall, upon arrival in the United States from the provinces or republic aforesaid, be treated in regard to the liability to or exemption from duty, or tax, as if the transportation had taken place entirely within the limits of the United States.

Sec. 7. And be it further enacted, That whenever it shall be shown to the satisfaction of the Secretary of the Treasury that more moneys have been paid to the collector of customs, or others acting as such, than the law requires, and the parties have failed to comply with the requirements of the 14th and 15th sections of the act entitled "An act to increase the duties on imports, and for other purposes," approved June 30th, 1864, and the Secretary of the Treasury shall be satisfied that said non-compliance with the requirements, as above stated, was owing to circumstances beyond the control of the importer, consignee, or agent making such payments, he may draw his warrant upon the Treasurer in favor of the person or persons entitled to the overpayment, directing the said Treasurer to refund the same out of any money in the treasury not otherwise appropriated.

Sec. 8. And be it enacted, That the provisions of the second, third, and fourth sections of the act approved March 2, 1863, entitled "An act further to provide for the collection of duties on imports," and of the twelfth section of the act approved March 3, 1863, entitled "An act to prevent and punish frauds upon the revenue, to provide for the more certain and speedy collection of claims in favor of the United States, and for other purposes," shall be taken and deemed as extending to and embracing all cases arising or which may have heretofore arisen, and all suits and prosecutions heretofore brought and now pending, or which may hereafter be brought against any officer of the United States or other person by reason of any acts done or proceedings had by such officer or other person, under authority or color of the act approved March 12, 1863, entitled "An act to provide for the collection of abandoned property, and for the prevention of frauds in insurrectionary districts within the United States," or the act approved July 2, 1864, entitled "An act in addition to the several acts concerning commercial intercourse between loyal and insurrectionary States, and to provide for the collection of captured and abandoned property, and the prevention of frauds in States declared in insurrection." Provided, That such acts done or proceedings had under the two acts last aforesaid, or under color thereof, shall have been done and had under the authority or by the direction of the Executive Government of the United States. And provided further, That when a recovery shall have been, or shall hereafter be had in any such suit or prosecution brought, or which may hereafter be brought, as aforesaid, the payment of the amount recovered, as provided for in the said twelfth section of the act approved March 3, 1863, aforesaid, shall be made out of the moneys arising and obtained from the proceeds of sales and leases and fees collected and paid over to the Government under the two acts approved March 12, 1863, and July 2, 1864 aforesaid, in relation to captured and abandoned property.

Sec. 9. And be it further enacted, That in determining the dutiable value of merchandise, hereafter imported, there shall be added to the cost, or to the actual wholesale price or general market value at the time of exportation in the principal markets of the country from whence the same shall have been imported into the United States, the cost of transportation, shipment, and transshipment, with all the expenses included from the place of growth, production or manufacture, whether by land or water, to the vessel in which shipments made to the United States; the value of the sack, box or covering of any kind, in which such goods are contained; commission at the usual rates but in no case less than two and a half per centum; brokerage, export duty, and all other actual or usual charges for putting up, preparing, and packing for transportation or shipment. And all charges of a general character incurred in the purchase of a general invoice shall be distributed pro rata among all parts of such invoice; and every part thereof charged with duties based on value shall be advanced according to its proportion, and all wines or other articles paying specific duty by grades shall be graded and pay duty according to the actual value so determined: Provided, That all additions made to the entered value of merchandise for charges shall be regarded as

part of the actual value of such merchandise, and if such addition shall exceed by ten per centum the value so declared in the entry, in addition to the duties imposed by law, there shall be levied, collected and paid a duty of twenty per centum on such value: Provided, That the duty shall in no case be assessed upon an amount less than the invoice or entered value: Provided, further, That nothing herein contained shall apply to long-combing or carpet wools costing twelve cents or less per pound, unless the charges so added shall carry the cost above twelve cents per pound, in which case one cent per pound duty shall be added.

Sec. 10. And be it further enacted, That the second proviso in section twenty-one of an act entitled "An act increasing temporarily the duties on imports, and for other purposes," approved July 14, 1862, which provides that any goods remaining in public store or bonded warehouse beyond three years shall be regarded as abandoned to the government, and sold under such regulations as the Secretary of the Treasury may prescribe, and the proceeds paid into the Treasury, be, and the same is hereby amended so as to authorize the Secretary of the Treasury, in case of any sale under the said provision, to pay to the owner, consignee or agent of such goods the proceeds thereof, after deducting duties, charges and expenses, in conformity with the provision of the first section of the Warehouse Act of August 6, 1846.

Sec. 11. And be it further enacted, That during [the] period of one year from the passage of this act, there may be imported into the United States, free of duty, any machinery designed solely for and adapted to the manufacture of sugar from beet, including all the preliminary processes requisite therefor, but not including any machinery which may be used for any other manufactures.

Sec. 12. And be it further enacted, That upon the reimportation of articles now exported of the growth, product, or manufacture of the United States, upon which no internal tax has been assessed or paid, or upon which such tax has been paid and refunded by allowance or drawback, there shall be levied, collected, and paid a duty equal to the tax imposed by the internal revenue laws upon such articles.

Sec. 13. And be it further enacted, That there shall be established in and attached to the Department of the Treasury a bureau, to be styled "The Bureau of Statistics," and the Secretary of the Treasury is hereby authorized to appoint a director to superintend and control the business of said bureau, who shall be paid an annual salary of \$3,500. And it shall be the duty of the director of the Bureau of Statistics to prepare the report on the statistics of commerce and navigation, exports and imports, now required by law, to be annually submitted to Congress by the Secretary of the Treasury; and said report, embracing the returns of the commerce and navigation, the exports and imports of the United States to the close of the fiscal year, shall be submitted to Congress in a printed form on or before the first day of December next succeeding; and the said director, as soon as practicable after the organization of this office, shall, under the direction of the Secretary of the Treasury, prepare and publish monthly reports of the exports and imports of the United States, including the quantities and values of goods warehoused or withdrawn from warehouse, and such other statistics relative to the trade and industry of the country as the Secretary of the Treasury may consider expedient. And the director of the Bureau of Statistics shall also prepare an annual statement of vessels registered, enrolled, and licensed under the laws of the United States, together with the class, name, tonnage, and place of registry of each vessel, and such other information as the Secretary of the Treasury may deem proper to embody therein; and to enable the said director to furnish the information required, the Secretary of the Treasury shall have power, under such regulations as he shall prescribe, to establish and provide a system of numbering vessels so registered, enrolled, and licensed; and each vessel so numbered shall have her number deeply carved or otherwise permanently marked on her main beam; and if at any time she shall cease to be so marked, such vessel shall be no longer recognized as a vessel of the United States. The said director shall also prepare an annual statement of all merchandise passing in transit through the United States to foreign countries, each description of merchandise, so far as practicable, warehoused, withdrawn from warehouse for consumption, for exportation, for transportation to other districts, and remaining in the warehouse at the end of each fiscal year. It shall be the further duty of said director to collect, digest, and arrange for the use of Congress, the statistics of the manufactures of the United States, their localities, sources of raw material, markets, exchanges, with the producing regions of the country, transportation of products, wages and such other conditions as are found to affect their prosperity; and to aid him in the dis-

charge of these duties, the several clerks now employed in the preparation of statistics in the Treasury Department, or any bureau thereof, may be placed under his supervision and direction ; and, in addition, the Secretary of the Treasury shall detail such other clerks as may be necessary to fully carry out the provisions of this act. And the expenses of the Bureau of Statistics for clerical service, publication of reports, stationery, books and statistical periodicals and papers required by the Bureau, shall be defrayed on the order and approval of the Secretary of the Treasury, out of any moneys in the Treasury not otherwise appropriated. And all letters and documents to and from the director of the Bureau of Statistics, relating to the duties and business of his office, shall be transmitted by mail free of postage.

Sec. 14. And be it further enacted, That the Secretary of the Treasury be authorized to suspend the collection, in any of the States heretofore declared in insurrection, of the direct tax imposed by an act of Congress passed August 5th, 1861, entitled "An act to provide increased revenue from imports, to pay interest on the public debt, and for other purposes," until January 1st, 1863.

ANALYSES OF RAILROAD REPORTS. No. 13.

I. *New York & Harlem Railroad.*—II. *Cleveland & Toledo Railroad.*—III. *Marietta & Cincinnati Railroad.*—IV. *Michigan Central Railroad.*

NEW YORK AND HARLEM RAILROAD.

The New York and Harlem Railroad, which in connection with the Albany and West Stockbridge (Western) Railroad, forms the inland route between New York City and Albany is constituted as follows :

Main Line—New York City to Chatham Four Corners.....	miles	180.75
Branch Line—Melrose to Port Morris		2.12
Total owned by the company.....		182.87
Albany and West Stockbridge Railroad—Chatham to E. Albany.....		20.25
Total owned, leased, and operated.....		158.12
Second track and sidings on main line 45 miles.		

ROLLING STOCK.

The rolling stock belonging to the company at the close of each of the last ten fiscal years (September 30,) is shown in the following table :

Sept. 30th,	Loco- motives.	—Cars rated as 4-wheel cars— Pass. Mail, &c. Freig't. Total.				City cars.	Cost of rol'g sto'k.
1856.....	36	65	11	355	431	37	\$663,146
1857.....	35	71	10	410	481	55	694,685
1858.....	33	56	11	377	444	42	694,797
1859.....	33	51	11	365	427	42	650,804
1860.....	33	42	15	377	434	42	650,804
1861.....	34	36	13	425	484	42	650,804
1862.....	33	35	13	428	476	42	650,804
1863.....	33	34	11	481	526	45	811,987
1864.....	35	40	17	561	618	69	1,105,299
1865.....	48	60	23	587	670	67	1,469,957

BUSINESS OF THE ROAD.

The mileage of trains, the number and mileage of passengers, and the tons of freight and the mileage thereof in the same years, were as follows :

Fiscal year.	—Train mileage.—		—Passengers—		—Freight.—	
	Passenger.	Fr.ight.	Number.	Mileage.	Tons.	Mileage.
1855-56.....	330,035	203,539	1,223,048	94,552,577	159,406	8,799,957
1856-57.....	438,221	255,974	958,777	23,234,000	150,863	9,333,743
1857-58.....	405,391	216,356	730,070	14,790,971	122,71	7,446,561
1858-59.....	317,235	243,571	713,973	16,274,091	145,577	9,131,861
1859-60.....	319,748	266,340	767,652	16,270,371	153,511	9,332,119
1860-61.....	318,471	297,299	726,363	15,773,007	168,527	11,032,070
1861-62.....	230,533	339,840	686,523	12,423,096	198,667	15,323,994
1862-63.....	245,041	374,459	811,877	15,014,300	233,981	18,301,839
1863-64.....	360,583	365,503	1,177,789	20,942,621	231,477	15,571,823
1864-65.....	368,379	391,868	1,243,545	33,023,353	239,603	17,153,973

The following statement classifies the freight carried—the quantities being given in tons :

Fiscal year.	Products of—		Veget'le food.	Oth. agri. cult'l prod.	Manu- fact's.	Merchan- dise.	Oth. articles.
	Forest.	Animals.					
1855-56.....	8,780	48,308	11,140	2,801	17,729	6,736	6,522
1856-57.....	10,089	60,698	13,718	2,545	24,265	2,835	5,732
1857-58.....	8,170	52,478	11,177	2,898	17,576	4,922	2,773
1858-59.....	9,485	52,832	12,487	4,206	20,422	6,688	2,832
1859-60.....	8,271	53,773	14,115	4,186	22,118	2,889	4,124
1860-61.....	7,369	62,053	17,410	2,496	29,043	12,210	7,134
1861-62.....	9,086	74,844	16,242	9,838	34,861	10,845	4,152
1862-63.....	12,073	70,365	20,570	15,908	40,353	26,620	5,177
1863-64.....	12,238	81,284	17,488	23,901	19,479	14,123	6,735
1864-65.....	13,597	106,407	16,920	11,877	24,627	11,063	5,177

In the following statement are given the miles run by the city cars, the number of passengers carried, and the mileage of passengers :

Fiscal year.	Miles run by cars.		Passengers.		Fiscal year.	Miles run by cars.		Passengers.	
	Number.	Mileage.	Number.	Mileage.		Number.	Mileage.	Number.	Mileage.
1855-56.....	301,312	1,799,391	1,746,933	1,746,933	1860-61.....	555,120	3,007,889	3,411,227	3,411,227
1856-57.....	296,593	2,014,486	2,100,000	2,100,000	1861-62.....	554,350	3,530,227	3,530,227	3,530,227
1857-58.....	574,800	3,069,721	3,150,000	3,150,000	1862-63.....	636,644	4,366,190	4,366,190	4,366,190
1858-59.....	512,422	3,493,113	5,239,669	5,239,669	1863-63.....	785,916	5,795,238	5,795,238	5,795,238
1859-60.....	564,351	3,990,984	5,986,401	5,986,401	1864-65.....	804,612	7,192,478	7,192,478	7,192,478

REVENUE ACCOUNTS.

The gross transportation earnings and expenses, and the profits from operations were as follows :

Fiscal Years.	Gross earnings				Operating expenses.	Operating Profit.
	Passenger.	Freight.	Other.	Total.		
1855-56.....	\$520,527	\$436,245	\$83,621	\$1,040,393	\$715,501	\$324,892
1856-57.....	494,103	436,725	96,744	1,027,572	840,731	186,841
1857-58.....	462,556	443,801	60,996	975,853	617,081	358,772
1858-59.....	490,616	506,342	79,364	1,076,322	695,996	380,326
1859-60.....	533,091	529,411	80,349	1,142,851	709,135	433,716
1860-61.....	448,193	533,658	163,129	1,144,980	753,727	391,253
1861-62.....	411,684	573,742	166,577	1,154,003	697,305	456,698
1862-63.....	512,175	707,820	192,931	1,412,926	957,653	455,273
1863-64.....	735,161	864,553	260,709	1,860,423	1,402,830	457,593
1864-65.....	1,053,314	1,093,668	362,743	2,509,725	2,057,397	452,328

The receipts from the New York and New Haven Railroad for use of the road from Williamsbridge to the city, are included in "other" gross earnings. They have been as follows : For the year ending Sept. 30th, 1856, \$70,571 ; 1857, \$69,426 ; 1858, \$57,814 ; 1859, \$66,932 ; 1860, \$65,046 ; 1861, \$132,220 ; 1862, \$133,000 ; 1863, \$161,451 ; 1864, \$223,175, and 1865, \$186,296.

The amount paid from net revenue, on account of interest on debt, and dividend on preferred stock in each year has been as follows : In year ending Sept. 30, 1856, \$3,641 ; 1857, \$433,102 ; 1858, \$406,793 ; 1859, \$388,142 ; 1860, \$392,883 ; 1861, \$401,818 ; 1862, \$415,202 ; 1863, \$423,508 ; 1864, \$432,440, and 1865 \$420,265.

GENERAL ACCOUNTS.

The financial condition of the company at the close of each fiscal year from 1855-56 to 1864-65, both years inclusive, is shown in the following statement :

Sept. 30th.	Capital stock.*	Funded debt.	Floating debt.	Total stock and debts.	Real estate mortgages.	Inter-est cert's.
1856.....	\$5,717,100	\$3,353,305	\$299,352	\$9,369,757	\$144,313	\$43,000
1857.....	5,717,100	4,060,498	652,430	10,430,028	183,573	45,000
1858.....	5,717,100	5,151,287	147,641	11,016,028	183,573	45,000
1859.....	5,717,100	5,353,297	.....	11,070,397	183,573	45,000
1860.....	5,717,100	5,872,179	.....	11,589,279	213,573	45,000
1861.....	5,717,100	5,537,664	43,788	11,298,552	213,573	45,000
1862.....	5,717,100	5,565,487	84,708	11,367,295	213,573	45,000
1863.....	5,722,850	5,877,518	14,200	11,614,568	213,573	45,000
1864.....	6,585,050	6,115,800	.....	12,700,850	213,573	45,000
1865.....	6,585,050	6,098,045	.....	12,683,095	213,573	45,000

* Including \$1,500,000 preferred stock

Against which are charged as follows:—

Sept. 30th.	Construction account				Real estate in N. Y. &c.
	Railroad.	Equipm'ts.	Extension.	Total.	
1856.....	\$5,329,873	\$658,146	\$2,000,000	\$8,087,919	\$1,000,529
1857.....	5,487,914	634,525	2,000,000	8,122,439	1,090,529
1858.....	7,212,329	684,777	2,000,000	9,947,116	1,000,529
1859.....	7,365,937	650,804	2,000,000	10,019,871	1,090,529
1860.....	7,371,993	650,804	2,000,000	10,022,796	1,136,849
1861.....	7,365,739	650,804	2,000,000	10,036,543	1,137,014
1862.....	7,365,739	650,804	2,000,000	10,036,543	1,137,014
1863.....	7,229,919	811,987	2,000,000	10,041,906	1,141,237
1864.....	7,510,739	1,105,299	2,000,000	10,616,038	1,121,823
1865.....	7,703,611	1,469,257	2,000,000	11,172,868	1,144,161

The large increase in cost in 1857-58 is explained by stating that the "profit and loss account," the accumulation of several years is charged this year to cost of road.

DEDUCTIONS.

The following table shows the relation of the above statements to the mileage of the road, viz.: the cost of road and equipment per mile, &c.; the earnings, expenses and profits per mile together with the proportion of expenses to earnings, and the rate of the profits to cost of road, &c.—the road from New York to Chatham Four Corners 130.75 miles, being taken as the unit:

Year ending Sept. 30.	Cost of road, &c., per mile.	Amounts per mile			Expenses to earnings.	Profits to cost of road.
		Gross earnings.	Operating expenses.	Net profits.		
1856.....	\$61,656	\$7,957	\$5,473	\$2,485	69.77	4.03
1857.....	62,048	7,859	5,410	2,449	61.56	2.34
1858.....	70,085	7,464	4,719	2,745	63.25	3.61
1859.....	76,632	8,322	5,323	2,999	64.66	3.79
1860.....	75,669	8,711	5,426	3,285	62.06	4.23
1861.....	76,761	8,757	5,754	2,993	65.26	3.90
1862.....	76,761	8,826	5,323	3,493	60.42	4.66
1863.....	78,028	10,503	7,334	3,169	67.60	4.45
1864.....	81,469	14,223	10,792	3,431	75.80	4.22
1865.....	85,496	19,195	15,965	3,230	80.17	3.78

The profits to cost of road have been deducted from the nominal cost, exclusive of real estate. Had the amount of stock and debts been taken instead of this nominal sum, the profits would have shown at a much lower figure, and, on the average, one-sixth lower. Thus the stock debt in 1865 amounted to \$97,008 per mile, while the cost of road, &c., amounted only to \$85,496 per mile. Hence the profits to the first sum, were only 3.23 per cent., while to the latter sum they were 3.78 per cent., showing a difference against the company of 0.45 per cent. It may be noted, indeed, that the profits for the last ten years have barely balanced the demands for interest on debt and dividends on the preferred stock. Affairs, however, must have materially improved between Oct. 1, 1865, and July 1, 1866, since at the latter date a dividend of 4 per cent was unexpectedly declared on the common stock—the first since 1864.

MARKET PRICE OF STOCKS.

The Common Harlem Stock has shown the following monthly fluctuations in sale prices for the six years ending Sept. 30, 1865:

	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
Oct.....	18 @ 23½	10½ @ 14	20½ @ 25½	80 @ 145	— @ —
Nov.....	18 @ 18	12 @ 14	18 @ 23	80 @ 110	— @ —
Dec.....	12 @ 14½	10 @ 18	21 @ 23½	87½ @ 93	— @ —
Jan.....	15 @ 16½	12½ @ 13½	27½ @ 40	96½ @ 105	— @ —
Feb.....	14 @ 17	11½ @ 12½	29 @ 37½	102 @ 137½	— @ —
March.....	15½ @ 16½	13½ @ 18½	26 @ 47	101 @ 152	— @ —
April.....	11½ @ 16½	12 @ 18	42½ @ 76½	120 @ 235	— @ —
May.....	10½ @ 12½	18 @ 15	79 @ 116½	234 @ 251	— @ —
June.....	8½ @ 10½	14 @ 18½	97½ @ 109½	200 @ 235	— @ —
July.....	9½ @ 12½	13 @ 17½	92 @ 125	— @ —	— @ —
August.....	10½ @ 11	14½ @ 17	125 @ 179	— @ —	— @ —
Sept.....	10½ @ 10½	15 @ 22	116 @ 164½	65 @ 85	— @ —
Year.....	9 @ 24	6½ @ 23½	10 @ 23	18 @ 179	65 @ 235

The preferred stock of the company has fluctuated as follows :

	1859-60.	1860-61.	1861-62.	1862-63.	1863-64.	1864-65.
Oct.....	82 @ 33½	88½ @ 58½	25½ @ 35	40½ @ 53½	107 @ 130	— @ —
Nov.....	83 @ 35	81 @ 41	29½ @ 35	42½ @ 53½	110 @ 111	— @ —
Dec.....	82½ @ 35	27 @ 35½	25 @ 31½	50 @ 54½	100 @ 100	— @ —
Jan.....	82½ @ 34	86 @ 43	29½ @ 32	57 @ 57	103 @ 112	— @ —
Feb.....	82½ @ 34½	84 @ 43	28½ @ 30½	63½ @ 78	100 @ 125	— @ —
March.....	82½ @ 36½	88 @ 41½	30 @ 32½	76½ @ 86	125½ @ 138	— @ —
April.....	85½ @ 40	23 @ 41½	30 @ 32½	81 @ 94	— @ —	— @ —
May.....	87 @ 41½	25½ @ 31½	32½ @ 37	96 @ 120½	— @ —	— @ —
June.....	87 @ 40	20½ @ 25½	35½ @ 45	89 @ 106½	112½ @ 112	— @ —
July.....	88½ @ 44½	22½ @ 29½	33½ @ 41	94 @ 120	— @ —	25 @ 7
August.....	45 @ 51	24½ @ 36½	35 @ 42	119 @ 153	— @ —	20 @ 5
Sept.....	48½ @ 55	25 @ 25½	9 @ 48½	115 @ 151	— @ —	— @ —
Year.....	82 @ 55	20½ @ 58½	25 @ 48½	42½ @ 153	100 @ 138	25 @ 9

From the above it will be seen that the stocks of this company have not been in the market since June, 1864.

The New York and Harlem Railroad Company was chartered by the Legislature, April 21, 1831, and by subsequent acts was authorized to construct and maintain a railroad between New York City and Albany. The work of construction was commenced in the Fall of 1831, and the first section of three-quarters of a mile, extending from Prince street to 14th street, was opened for public use Nov. 26, 1832. The section from 14th st. to 32d st., about one mile, was opened June 10, 1833; from 32d st. to Yorkville, 2½ miles, May 9, 1834; from Yorkville to Harlem, 2½ miles, Oct. 26, 1835; from Harlem to Williamsbridge, 6½ miles, Sept. 3, 1842; from Williamsbridge to White Plains, 12 miles, Dec. 1, 1844; from White Plains to Croton Falls, 25½ miles June 1, 1847; and from Croton Falls to Dover Plains, 29 miles, Dec. 31, 1849. The section between Prince st. and the City Hall was opened May 4, 1839, and from the City Hall to the Astor House Nov. 26, 1852. The extension of the road from Dover Plains to Chatham Four Corners, (where it connects with the Albany and West Stockbridge (Western) Railroad,) 50½ miles, was completed Jan. 19, 1852. For the payment of the construction of the division above Dover Plains, "Extension Certificates" were issued to the amount of \$2,000,000, payable Feb. 1, 1873, with interest semi-annually Jan. 1 and July 1. These certificates constitute a first lien on the extension. For the satisfaction of these certificates the railroad company agreed to supply the rolling stock for the extension, operate it, and charge therefor the average cost per mile of working the whole line, and to appropriate the net earnings of the extension toward the payment of the interest; and in case such earnings should not be sufficient to pay such interest, then the railroad company to apply thereto, if necessary, three-fourths of the gross earnings from business over their own road to and from stations thereon, and from and to stations on the extension; and in case any deficiency should then exist, the company to issue new for the old warrants, bearing seven per cent. interest, to be paid from the first surplus accruing in the manner stated after the payment of warrants falling due or in arrears. The railroad company also agreed that the holders of the certificates might convert them into the stock of the company. These certificates have been so converted to the extent of \$1,940,500, the company holding the certificates as a debt against that portion of the road for which they were originally issued. As to the interest, the company paid for several years 3½ per cent. but finally nothing—the construction of the contract having been made the subject of litigation. Few roads of the same importance have so brief a history. Its stocks, however, have always been dealt in at the New York Exchange, and have generally been handled for speculative purposes. Small dividends were paid yearly from 1843 to 1854, but to the close of 1865 had scarcely averaged one-half of one per cent.

through the whole term of the existence of the company. In March, 1860, the common stock was selling at 8, and in June, 1861, at 8½; but during the speculative period of the war it rose to par, and above, and in June, 1864, was cornered up to 85. Since this period few sales have been made, and the stock is now mainly held by a single individual, who in July, 1866, paid from one pocket to the other a dividend of 4 per cent from operations never earned from operations.

CLEVELAND AND TOLEDO RAILROAD.

The Cleveland and Toledo Railroad is constituted of the following two divisions :

Northern Division—Cleveland to Sandusky.....	miles	60.0
Southern Division—Grafton (C. C. and C. R. R.) to Toledo.....		87.5
Total length of road owned by company		147.5
Cleveland, Columbus & Cincinnati Railroad, from Grafton to Cleveland, leased (\$66,000 per annum).....		25.0
Total length of road operated by company		172.5

The company is now engaged in changing the line of their road, so as to connect the southern with the northern division at Elyria, and thus save the expenses of the C, C. and C. lease, and give greater facilities to general operations. A Union Passenger Depot is also being constructed at Cleveland, which will enable the passenger trains to pass between Buffalo and Toledo without change.

The equipment of the road on the first of May, yearly, for the past seven years, has been as follows :

	1860.	1861.	1862.	1863.	1864.	1865.	1866.
Locomotives.....	82	82	82	82	87	87	87
Passenger cars.....	85	85	85	82	80	23	82
Emigrant do	10	10	10	8	8	9	7
Baggage do	12	12	12	12	12	13	15
Mail do	4	4	4	4	4	4	4
Freight cars—box & stock.....	241	252	270	313	419	403	445
do Rack	98	110	88	46	87	80	112
do Platform			90	120	120	146	195
Boarding cars .....	..	..	8	8	8	8	8
Total cars.....	400	426	457	528	603	606	612

OPERATIONS ON THE ROAD.

The following statements exhibit the mileage made by engines and cars, the passenger and freight traffic, and general deductions relating to mileage and charges :

1. Number of miles run by engines and cars.

Year ending April 30,	Miles by engines.	Miles run by cars.		
		Passenger.	Freight.	Total.
1860.....	.....	.....	.....	4,217,225
1861.....	.....	1,073,154	3,923,571	4,998,725
1862.....	610,292	1,024,044	5,520,775	6,554,819
1863.....	662,271	1,139,259	6,145,262	7,284,521
1864.....	722,262	1,591,208	6,170,208	7,762,152
1865.....	.....	1,752,653	6,625,072	7,887,725
1866.....	994,554	1,819,706	7,075,916	8,895,622

2. Number, character and direction of passengers carried :

Year end'g April 30,	Eastward			Westward			Both Ways.
	Thro'.	Way.	Total.	Thro'.	Way.	Total.	
1860.....	43,929	76,129	120,058	62,201½	74,219	126,420½	246,478½
1861.....	45,312½	82,531½	127,845	55,345½	84,573½	139,819	267,664
1862.....	46,554	82,621½	129,175½	49,059	79,195½	128,254½	257,430
1863.....	64,643	98,096	162,739	60,723	100,327	161,120	323,859
1864.....	82,063	142,609	224,672	93,120	146,546	239,676	464,348
1865.....	122,006	164,067	286,073	125,772	165,226	290,997	586,172
1866.....	85,866	126,219	212,085	126,504	200,407	326,911	607,436

The following table shows the origin of the passengers—the foreign (or from other roads), and the local :

Year end'g April 30.	—Eastward—		—Westward—		Total foreign.	Total local.	Foreign & local.
	Foreign.	Local.	Foreign.	Local.			
1860.....	35,709	84,839	44,240½	82,180	79,959½	166,519	246,478½
1861.....	34,380	93,465	46,216	93,603	80,596	187,069	267,664
1862.....	32,821	96,354½	42,058½	86,198	74,879½	182,550½	257,430
1863.....	46,443	116,296	52,605	108,515	99,048	224,811	338,859
1864.....	63,108	161,564	76,391	163,285	139,499	324,849	464,348
1865.....	87,427	198,648	106,005	194,092	193,482	392,740	586,712
1866.....	.....	.....	.....	.....	172,829	424,696	607,486

The following shows the total passengers, the equivalent number carried one mile and through, with the average miles travelled by each passenger, with the receipts from each, and the average receipts per mile travelled :

Year end'g April 30.	Passeng's carried.	—Equiv't number carried—		Av. miles travel.	—Avg. receipts—	
		one mile.	Through. *		Per pass'r.	Per m.
1860.....	246,478½	14,824,692	181,775	60.1	\$1 70:2	2.86c
1861.....	267,664	16,753,533	149,586	62.6	1 65:6	2.70c
1862.....	257,430	15,909,705	142,051	61.7	1 66:0	2.63c
1863.....	323,859	20,650,278	184,878	63.7	1 74:3	2.73c
1864.....	464,348	28,498,962	254,450	61.8	1 68:8	2.77c
1865.....	586,712	38,133,340	340,478	65.0	1 87:4	2.88c
1866.....	607,486	37,263,769	311,284	61.8	1 87:8	3.06c

These tables show a wonderful development of the passenger traffic on this road—a traffic which will probably be largely increased when the additional conveniences at Cleveland for transfer are completed.

3. Quantity (tons) and direction of freight carried :

Years end'g April 30,	—Eastward—			—Westward—			Both ways.
	Thro'	Way.	Total.	Thro'	Way.	Total.	
1860.....	94,678	54,929	149,607	41,807	29,579	71,406	221,013
1861.....	115,312	54,706	170,018	49,808	30,657	80,465	250,483
1862.....	152,228	71,090	223,418	56,399	31,535	87,934	311,252
1863.....	201,385	73,063	274,453	71,337	37,963	109,350	383,803
1864.....	187,019	97,772	284,791	92,725	54,901	147,626	432,417
1865.....	159,913	104,036	263,949	90,983	55,469	146,452	410,401
1866.....	229,109	71,757	300,866	119,203	54,154	173,357	474,223

The following shows the total tonnage and equivalent tons carried one mile and through (112 miles), with the average receipts for each ton and for each ton per mile :

Years end'g April 30,	Total tonnage.	—Equiv. tons carried—		Av. mls. carried.	—Av. receipts—	
		One mile.	Through.		P. ton.	P. m.
1860.....	221,013	19,324,697	171,775	87.4	\$1 85:2	2.13c
1861.....	250,483	22,694,101	202,626	90.6	1 66:3	2.05c
1862.....	311,252	28,687,418	256,138	92.2	1 85:2	2 05c
1863.....	383,803	35,510,471	317,058	92.5	2 07:6	2.24c
1864.....	432,417	37,644,347	336,110	87.0	2 09:8	2.41c
1865.....	410,402	34,791,292	310,636	84.7	2 45:0	3.88c
1866.....	474,223	44,323,972	406,869	93.5	2 68:1	2.81½c

From this, it appears that the freight traffic has more than doubled within the period included in the statement ; and, what is evidence of progress, the last year of the series shows the highest results, although the local traffic in that year was a large percentage below that of the next preceding year. The company has joined other roads in forming a through freight line between Chicago and the seaboard via the New York Central Railroad, which line has added largely to the freight traffic of this road. A similar line, to run in connection with the Erie Railroad is proposed.

FINANCIAL RESULTS, YEARLY.

The earnings from operations and the working and other expenses, yearly, for the seven years embraced in the foregoing exhibits of operations, are shown in the following statement.

* Estimated on the distance between Cleveland and Toledo—112 miles.

The earnings have been as follows:

Years end'g April 30	Passenger earnings			Freight and mail earnings.	Total earnings.
	Foreign.	Local.	Total.		
1860.....	\$190,821 51	\$282,402 86	\$424,223 87	\$409,047 49	\$838,271 36
1861.....	200,786 63	252,486 80	453,254 66	466,716 42	919,971 08
1862.....	175,880 00	251,405 21	427,285 25	579,852 07	1,003,637 32
1863.....	232,412 66	332,117 16	564,529 82	796,000 44	1,361,537 26
1864.....	196,684 89	587,374 52	984,059 41	907,206 42	1,691,265 83
1865.....	476,323 44	622,362 21	1,098,685 65	1,001,402 99	2,104,088 64
1866.....	.....	.....	1,223,236 20	1,165,631 82	2,388,868 02

These earnings have been disbursed as follows:

Years end'g April 30.	Expenses			Interest paid on bonds.	Dividends paid on stock.	Balance carried to income ac't
	Operating expenses.	Taxes, rents, extraord., &c.	T'l before int. & div.			
1860.....	\$367,736 50	\$120,612 71	\$488,349 22	\$268,813 22	\$.....	\$76,103 92
1861.....	426,015 40	96,868 30	522,883 70	268,953 00	.....	128,634 88
1862.....	460,149 22	91,413 19	551,562 41	269,077 58	100,814 00	82,683 33
1863.....	544,482 49	167,004 98	651,487 47	265,198 13	183,752 00	811,099 66
1864.....	729,272 54	138,2 8 98	867,551 50	232,668 91	337,522 36	247,523 00
1865.....	1,060,756 04	183,562 04	1,260,318 08	172,862 22	492,642 10	162,269 24
1866.....	1,117,074 50	236,076 05	1,353,150 55	172,636 22	637,023 00	226,059 25

An extra dividend of 10 per cent. (\$491,326) was paid in August, 1864, and charged to profit and loss. Since the commencement of operations to April 30, 1866, sixteen dividends have been paid, as follows:

1. April, 1854.....	5 p. c..	\$167,190 00	9. April, 1863.....	4 p. c..	\$183,752 00
2. Oct., 1854.....	5 p. c..	167,190 00	10. Oct., 1863.....	4 p. c..	148,912 00
3. April, 1855.....	5 p. c..	167,190 00	11. April, 1864.....	4 p. c..	183,610 30
4. Oct., 1855.....	4 p. c..	131,732 00	12. Aug., 1864*.....	10 p. c..	491,326 00
5. April, 1856.....	4 p. c..	133,752 00	13. Oct., 1864.....	5 p. c..	245,768 42
6. Oct., 1856.....	4 p. c..	133,752 00	14. April, 1865.....	5 p. c..	246,873 66
7. April, 1857.....	4 p. c..	133,752 00	15. Oct., 1865.....	5 p. c..	249,774 00
8. April, 1862.....	3 p. c..	100,814 00	16. April, 1866.....	8 p. c..	357,248 00

—making a total of \$3,229,156 40. The amount for April, 1864, and subsequent dates include the United States tax.

FINANCIAL CONDITION OF COMPANY.

The following is an analysis of the general account, made up to June 1, yearly:

June 1,	Capital stock.	Funded debt.	Const. tel. & iron acct.	Bills payable.	Current accoun'ts.	Income bala'e.	Total amount.
1860.....	\$3,343,812	\$3,348,420	\$.....	\$286,063	\$76,463	\$305,405	\$7,860,183
1861.....	3,342,800	3,850,570	.....	196,414	92,968	128,634	7,612,406
1862.....	3,342,600	3,850,595	.....	148,660	74,447	211,318	7,628,820
1863.....	3,526,000	3,667,595	.....	.....	94,236	522,417	7,810,838
1864.....	4,654,800	2,439,920	117,539	4,960	119,760	769,940	8,107,008
1865.....	4,690,600	2,614,810	136,889	53,743	134,455	440,884	8,070,860
1866.....	4,841,600	2,746,230	.....	8,742	111,254	666,943	8,369,819

Against which are charged the following, viz.:

June 1,	Cost of		Stks & bds of oth. co's.	Real estate.	Sinking fund.	Materials, bills, dues, &c.	Cash on hand.
	Railroad.	Equipm't.					
1860.....	\$4,771,891	\$461,149	\$238,239	\$36,323	\$60,707	\$238,056	\$5,818
1861.....	4,697,178	483,160	29,299	29,253	85,469	316,122	15,701
1862.....	6,699,373	504,420	95,679	29,312	101,578	182,459	15,489
1863.....	6,700,495	590,727	55,025	34,211	137,212	226,786	126,832
1864.....	6,699,373	693,257	55,025	41,565	172,791	308,534	136,463
1865.....	6,692,573	72,449	56,737	39,015	197,791	314,303	39,012
1866.....	6,672,157	368,769	35,115	57,317	221,791	336,058	178,612

The following shows the details of the bonded debt at the close of each of the years:

	1861.	1862.	1863.	1864.	1865.	1866.
Junc.—Inc., June 1, '62.....	\$44,000	\$22,000	\$.....	\$.....	\$.....	\$.....
" (Lloyds) Oct. 1, '62.....	5,000	5,000	.....	.....	.....	.....
" 2d Mort., Nov. 1, 1862.....	265,000	221,000	.....	.....	.....	.....
T. N. & C.—1st Mort., Aug. 1, 1863.....	521,000	521,000	439,000	9,000	8,000	.....
" 2d Mort., Aug. 1, 1863.....	293,900	293,200	176,500	.....	.....	.....
C. & T.—Inc., Sept. 1, '63.....	126,500	104,400	66,150	250	.....	.....
" Inc., (conv.) July 1, 1864.....	596,000	430,000	233,000	236,000	.....	.....
" Div. bonds, April 1, 1865.....	162,770	151,495	129,215	125,740	12,810	230

* Extra.

June—1st M. (1st Div.), Apr. 1, 1867...	239,000	239,000	238,000	244,000	229,000	212,000
C. & T.—Inc., Sept. 1, '70	42,000	32,000	35,000	5,000	5,000	5,000
June—1st M. (2d Div.), Dec. 1, 1872 ...	763,000	319,000	184,000	161,000	130,000	146,000
C. & T.—S'k'g fund, July 1, 1886	1,178,000	1,645,000	2,677,000	1,802,000	2,305,000	2,121,000
" Mort., July 1, 1886 .....	.....	.....	.....	.....	.....	200,000
Total	2,850,500	2,850,500	2,667,500	2,632,000	2,614,810	2,7 5,200
Redemption funds .....	.....	.....	681,270	194,000	.....	.....

PROPORTIONAL DEDUCTIONS.

We deduce from the foregoing statements as follows, viz: the cost of road and equipment per mile; the earnings, expenses and profits per mile; and the ratio of expenses to gross earnings, and of the profits to cost of road. In this connection, however, it is proper to state that the expenses here meant are not only the working expenses, but include taxes, rents, and all other payments from income, before interest and dividends. We give also the per centage of the surplus, after dividends, to the stock outstanding:

	Cost of R.R. & C. p. m.	Amount per mile			Ratio per centum		
		Gross earn'gs.	Total expen's.	Net profits.	Exp'ses to earn'gs.	Profits to cost.	Surp's to stock
1860.....	\$49,058	\$5,549	\$2,811	\$2,338	56.58	4.77	2.27
1861.....	48,680	6,237	2,542	2,005	56.95	5.52	2.22
1862.....	48,820	6,804	2,749	2,055	55.10	6.25	2.47
1863.....	49,253	9,231	4,417	4,814	47.85	9.77	3.22
1864.....	50,120	11,406	5,882	5,524	51.58	11.14	5.22
1865.....	50,223	14,265	8,005	5,000	60.22	11.24	3.45
1866.....	51,125	16,126	9,174	7,022	65.64	12.73	4.67

The total surplus accumulated in the seven years was \$1,234,377 90. The surplus at the close of the fiscal year, 1860 (\$76,108 52), was carried to construction, which leaves \$1,158,268 98 to be accounted for. Of this, the 10 per cent. dividend declared in August, 1864, took \$491,326 00, and the amount to credit of the shareholders April 30, 1866, was \$666,942 98, or 12.77 per cent. on the present share capital.

PRICES OF THE COMPANY'S STOCK.

The monthly range of the prices at which this stock has sold at New York during the six years ending with June, 1866, is shown in the subjoined statement:

Months.	1860-61.	1860-1.	1861-2.	1862-3.	1863-4.	1864-5.	1865-6.
July.....	20 @28½	23½ @28	1 ½ 1	1 ½ 1	1 ½ 1	121 @144	101 @104
Aug.....	26½ @40	28½ @30½	1 ½ 1	1 ½ 1	1 ½ 1	125½ @134	96½ @103
Sept.....	43½ @49½	30 @30½	1 ½ 1	1 ½ 1	1 ½ 1	106 @126	102 @109
Oct.....	31 @48	29½ @38½	1 ½ 1	1 ½ 1	1 ½ 1	95 @116	100 @111
Nov.....	24½ @36½	28 @38½	1 ½ 1	1 ½ 1	1 ½ 1	108 @114½	102½ @108
Dec.....	30 @31	28 @36½	1 ½ 1	1 ½ 1	1 ½ 1	107 @112½	102½ @115
Jan.....	32½ @37½	33½ @42½	1 ½ 1	1 ½ 1	1 ½ 1	108 @118	106 @113½
Feb.....	27½ @38	40½ @45	1 ½ 1	1 ½ 1	1 ½ 1	112 @115	105 @108½
Mar.....	33 @37	44½ @47½	9 ½ 14	1 ½ 1	1 ½ 1	91 @111	107 @113
April.....	22½ @36½	40½ @48	9 ½ 1	1 ½ 1	1 ½ 1	92 @103	99½ @106½
May.....	20½ @35½	41½ @47½	10 1 1	1 ½ 1	1 ½ 1	95 @103½	103 @105½
June.....	20½ @34½	44½ @49½	11 ½ 1	1 ½ 1	1 ½ 1	96 @105	104½ @107
Year.....	20 @49½	23½ @49½	45 @117	107 @157	90 @144	96½ @125	

Dividends are paid in April and October.

The history of the Cleveland & Toledo Railroad Company will be found in the *MAGAZINE* for September, 1865, p. 289.

MARIETTA AND CINCINNATI RAILROAD.

The Marietta and Cincinnati Railroad consists of a main line and several branches as follows:

	Miles.
Main line—Marietta to Loveland.....	173
Branch—Harmer to Belpré (Union Railroad)	9
" Hamden to Portsmouth (Scioto and Hocking Valley R.R.)	54
" Manchester to Hillsboro (Hillsboro and Cincinnati R.R.)	21
Total length of line	257

Since the close of the last fiscal year the Company have completed an extension from Loveland to Cincinnati, about 25 miles. The branches were originally constructed by separate companies, and subsequently purchased by the Marietta and Cincinnati Company. Hitherto, the Company have used the Little Miami track to carry their cars into Cincinnati.

The car equipment consists of 20 passage, 9 baggage, 4 caboose, 200 box, 58 cage, 95 coal, 112 flat, and 7 lime; total, 505 cars. During the year there were built at the Company's shops 4 passenger, 8 baggage, 45 coal, 1 lime, 7 flat, and 2 derrick cars; and there were purchased 2 passenger and 100 box freight cars; total, 164 cars added during the year. The number of locomotives on all the lines is 58, of which 5 were purchased in 1865.

The *earnings and expenses* for the two years ending Dec. 31, are shown in the following statement:

	1864.	1865.
Passenger earnings.....	\$466,913 74	\$570,765 51
Freight	518,167 86	592,853 21
Mail	23,970 82	23,737 44
Express	15,316 80	25,617 56
Telegraph	18,796 03	11,034 56
Total earnings.....	\$1,038,165 25	\$1,224,058 28
Operating expenses.....	610,760 11	778,756 08
Balance to profit and loss.....	\$427,405 14	\$445,302 20

The gross receipts, monthly, from the date of re-organization (Aug. 15, 1860) to the close of 1865, are shown in the following table:

	1860.	1861.	1862.	1863.	1864.	1865.
Jan	\$40,873 77	\$23,904 04	\$33,202 72	\$77,010 09	\$96,672 29	
Feb	34,778 19	25,252 04	53,778 25	74,408 67	87,790 69	
March.....	38,824 47	25,891 25	60,540 08	89,901 09	93,763 15	
April.....	33,999 80	38,579 40	64,305 82	72,349 35	78,507 03	
May.....	31,023 56	32,667 54	3,325 66	83,993 80	70,248 39	
June.....	40,274 82	29,383 48	40,706 50	78,696 92	107,524 72	
July	48,726 69	37,270 88	58,704 07	91,809 23	104,608 39	
August.....	23,334 89	34,071 11	56,686 54	90,972 33	115,133 71	
Sept	45,758 75	39,275 91	46,452 47	93,077 63	125,251 93	
Oct	48,391 18	32,164 69	81,328 75	93,545 33	116,495 06	
Nov.....	41,916 55	29,359 52	55,257 12	96,908 02	116,146 27	
Dec	37,750 05	36,802 21	48,543 92	95,452 96	105,766 68	
Total.....	196,152 42	489,676 04	512,217 78	710,223 84	1,038,165 25	1,224,058 28

The *profit and loss account* for the two last years shows the following results:

	1864.	1865.
Balance from previous year.....	\$242,464 84	\$675,948 76
Net earnings for year.....	427,405 14	445,302 20
Balance interest account	45,879 53	14,088 90
Premium on sterling bonds sold	236,779 75	.....
Total resources.....	\$1,102,528 81	\$1,135,339 86
Cash dividend (3 p. c.) on preferred stock.....	179,974 50	.....
Interest on bonds and scrip.....	161,821 97	237,031 99
" " Baltimore loan.....	1,300 00	1,200 00
New York office expenses	4,081 78	57 30
Compensation for personal injuries.....	.....	15,821 27
Rent of Little Miami Railroad.....	60,000 00	76,987 37
Federal taxes.....	10,169 31	33,862 90
State	9 3 49	12,579 02
Balance to credit	675,948 76	758,800 01
Total disbursements.....	\$1,102,528 81	\$1,135,339 86

It will be seen from the above that several accounts have been disbursed from profit and loss that properly belong to operating expenses. These are the rent of the Little Miami Railroad, Federal and State taxes, and compensation for personal injuries. Deducting these amounts, in 1864 \$79,501 80. and in 1865, \$138,750 58, the net earnings carried to profit and loss would have been only \$347,903 84 and \$306,-

551 64, respectively, instead of \$427,405 14 and \$445,302 20, as they appear in the above account.

The financial condition of the company as exhibited on the balance sheets of December 31, 1864 and 1865 was as follows :

	1864.	1865.
M. & C. R. R. & equipment.....	\$9,986,124 19	\$10,541,877 09
Union R. R. purchase.....	162,818 58	169,238 58
Hillsboro Branch purchase.....	1,820,626 14	1,831,799 06
Scioto & Hocking Valley R.R. purchase.....	800,000 00	800,000 00
Construction—main line.....	1,266,648 37	1,992,076 23
—Cinc. extension.....	871,944 23	1,117,772 24
Discount on 1st mortgage bonds.....	102,595 58	195,014 92
Total railroad and equipment.....	\$14,986,267 09	\$16,650,778 72
Real estate.....	297,524 79	335,495 56
Materials on hand.....	105,521 05	102,188 59
Bonds and stocks.....	.....	238,350 00
Cash due from banks and bankers.....	466,012 42	101,974 67
Total debit.....	\$15,805,315 35	\$17,429,777 54
Derived from the following sources, viz :		
1st preference shares and scrip.....	\$6,205,474 67	\$6,586,134 87
2d " ".....	3,819,71 78	4,051,744 50
Common stock and scrip.....	2,022,484 75	2,029,778 25
Sterling bonds.....	1,000,000 00	1,000,000 00
Dollar bonds and scrip.....	1,691,292 99	2,863,385 27
S. & H. Val. R.R. mortgage bonds.....	800,000 00	800,000 00
Baltimore Loan to Union R. R.	20,000 00	20,000 00
Total stocks and bonds.....	\$15,059,024 19	\$16,356,028 89
Pay Rolls.....	37,332 46	82,228 28
Bills payable.....	18,494 44	221,734 36
Cash dividends on preference shares unpaid.....	14,515 50	11,472 00
Balance credit profit and loss.....	675,948 76	758,300 00
Total credit.....	\$15,805,315 35	\$17,429,777 54

The following statement exhibits the progress of the construction accounts periodically or yearly since the re-organization :

Periods.	General Account.	Cincinnati Extension.	Total Amount.
Aug. 15, 1860 to June 30, 1862.....	\$15,623 98	\$.....	\$15,623 98
July 1, 1862 to June 30, 1863.....	119,017 03	.....	119,017 03
July 1, 1863 to Dec. 31, 1863.....	245,120 00	1,831 10	246,951 10
Jan. 1, 1864 to Dec. 31, 1864.....	714,887 37	70,113 13	1,585,000 50
Jan. 1, 1865 to Dec. 31, 1865.....	755,427 86	245,823 01	1,001,250 87
Total.....	\$1,992,076 23	\$1,117,772 24	\$3,109,848 47

The bond account at the close of the two last years stood as follows :

	1864.	1865.
Sterling 7 p.c. bonds 1892, coupons Feb. & Aug.....	\$1,000,000 00	\$1,000,000 00
Dollar 7 p.c. bonds 1892, coupons Feb. & Aug.....	1,691,292 99	2,863,385 27
Scioto & Hocking Valley 7 p.c. bonds 1893, coup. May & Nov..	300,000 00	300,000 00
Baltimore Loan.....	20,000 00	20,000 00
Total bonded debt.....	\$3,011,292 99	\$3,683,385 27

—showing an increase in the last year of \$77,092 23.

The market price of the company's stocks at New York has shown the following monthly fluctuations during the two years embraced in the foregoing exhibit :

	—1st Preference—		—2d Preference—	
	1864.	1865.	1864.	1865.
January.....	64 @ 75	.. @ @ @ ..
February.....	68 @ 70	.. @ @ @ ..
March.....	68 @ 90	.. @ ..	47 @ 69	30 @ 30
April.....	70 @ 84	.. @ ..	45 @ 65	.. @ ..
May.....	65 @ 74	40 @ 40	45 @ 45	.. @ ..
June.....	70 @ 77	38 @ 40	50 @ 53	.. @ ..
July.....	70 1/2 @ 74	38 @ 40	.. @ @ ..
August.....	65 @ 70	37 @ 40	.. @ ..	22 @ 23
September.....	53 @ 55	43 @ 50	.. @ ..	24 @ 25
October.....	55 @ 56	45 @ 57	.. @ ..	25 @ 25
November.....	.. @ ..	45 @ 55	.. @ ..	23 @ 30
December.....	.. @ ..	50 @ 55	.. @ ..	30 @ 32 1/2
Year.....	53 @ 90	37 @ 55	45 @ 69	22 @ 32 1/2

The Marietta and Cincinnati Railroad Company were chartered under an act of the Legislature of Ohio, passed March 8, 1845; and commenced the work of construction early in 1851. From Chillicothe to Greenfield, 28 miles, was opened for traffic in April, 1854; from Greenfield to Blanchester, 34 miles, in 1855, and thence to Loveland, 16 miles, was part of the Hillsboro' and Cincinnati Railroad. The eastern division of the road was opened as follows: Chillicothe to Byers', 87½ miles, in the spring of 1855; Byers' to Athens early in 1856, and Athens to Marietta, 89½ miles, April 20, 1857. The last rail had been laid on the 9th. The trains of the Marietta and Cincinnati Company were run over the whole line, via the Little Miami Railroad into Cincinnati, May 11, 1857.

The original great route of travel eastward from Cincinnati was through Chillicothe and Marietta, O., and Clarksburg, Va., to Washington, Baltimore, and Philadelphia. It was then regarded as the future great route of travel and commerce. This was based on the geographical idea that it was on the most direct line possible to navigable tide-water. The certainty of rich results anticipated from the construction of a railroad from Cincinnati directly eastward, called forth the energies of various rival interests and enterprises, which, by a strong combination, threatened serious embarrassments in prosecuting to an early completion either of the lines projected. Two companies were organized with authority to build railroads respectively from Cincinnati to Marietta, viz: the Marietta and Cincinnati (as above), and the Hillsboro' and Cincinnati. Both entered upon the work of constructing their roads with great energy and determination. Financial troubles, caused by the withholding of foreign capital to aid in the completion of American railroads, however, brought the managers of these two companies to confer together upon their interests and to devise means to save their stockholders from loss and to secure the building of one through railroad. The conferences held resulted in a contract of union, equivalent to a consolidation of the two companies, under which the stock of both was made of equal value by a provision that dividends should be made from their common earnings and always of equal amount, and that the earnings of both should be applicable to the payment of the interests of the debts of both the companies, which were placed under a consolidated management. Many advantages accrued from this arrangement—competition, whether for credit or business was at once destroyed, and a greater breadth of territory secured to the one road.

The Hillsboro' and Cincinnati Railroad, above spoken of, was chartered March 2, 1846, and complete from Loveland to Hillsboro' 87½ miles, in 1852. The contract above recited went into operation February 1, 1854.

Scarcely had the line from Marietta and Cincinnati come into use than the financial horizon became clouded, and the storm of 1857 swept over the country; business of all kinds was almost suspended and railroad property especially was adversely affected. The consequence to the Marietta and Cincinnati company was that they became insolvent and unable to pay the coupons of the bonded debt; scarcely, indeed, was sufficient collected to pay current expenses, and on several occasions troubles occurred with the employes. Thus passed two unpropitious years, when a reorganization was proposed and carried into effect, inaugurating the present company as successors of the original company.

About \$12,000,000 had been expended upon the property prior to the insolvency of 1857. Litigation ensuing, the property was placed in the hands of a receiver, and so remained to the period of reorganization. At the date of the insolvency the cost of the property was represented as follows, viz: stock \$8,500,000; 1st mortgage bonds \$2,500,000; 2d mortgage bonds \$2,000,000; 3d mortgage bonds \$1,500,000; domes-

tic bonds about \$1,200,000, and floating debt about \$1,500,000;—total \$12 200,000. The basis of the reorganization was \$8,000,000, and the capital account as of the 15th August, 1860, stood as follows on the company's books: first preferred shares, \$8,295,900; second preferred shares, \$2,637,800; common shares, \$1,850,000; preferred stock scrip, \$3,750; total, \$7,787,500. To this should be added, \$201,471, a temporary loan effected by the trustees who purchased the property for the benefit of the parties in interest.

At the first meeting of the stockholders the Board of Directors were authorized—

1st. To purchase the railroad of the Hillsboro' and Cincinnati Company.

2d. To purchase the railroad of the Union Railroad Company.

3d. To increase the capital stock to \$10,000,000; and

4th. To create a mortgage on the property and franchises of the company for such sum as in their judgment might be necessary to complete the railroad and its extensions and connections.

All these requirements have been carried out but the road is not yet perfect. It is indeed, a work of great difficulty, requiring several large tunnels. The extension into Cincinnati is so far complete as to permit the passage of trains. The Ohio River at Parkersburg is still crossed by ferry, but this will be superseded at no distant day by a bridge now being constructed. Probably also the road will be ultimately extended west to Dayton and east to Wheeling; such extensions are necessary to complete connections with existing lines. With these the road will be what is claimed for it—the best route between the seaboard cities and Cincinnati, St. Louis, &c. in the interior. Several years, however, will necessarily be consumed in bringing the enterprise to completion, and large sums of money will yet be required for the purpose.

The Portsmouth Branch is the Scioto and Hocking Valley Railroad which was purchased in 1863 for \$800,000.

MICHIGAN CENTRAL RAILROAD.

The *results of operations* on this road for the year ending May 31, 1866, and the four previous years, are shown in the following statement:

	1862.	1863.	1864.	1865.	1866.
Passenger.....	\$724,915	\$889,683	\$1,262,415	\$1,771,814	\$2,061,335
(Av. p. ton p. m., cts.....)	2.51	2.49	2.44½	2.59	2.72)
Freight.....	1,550,061	1,983,757	2,073,274	2,233,529	2,208,592
(Av. p. ton p. m., cts.....)	1.91	1.90	2.95	3.06	2.60)
Miscellaneous.....	77,265	72,121	98,859	140,076	176,563
Total earnings.....	\$2,351,941	\$2,945,560	\$3,434,548	\$4,145,419	\$4,446,490
Expenses.....	1,149,153	1,272,860	1,720,125	2,406,149	2,803,376
(Expenses to earnings.....)	48.67 p. c.	43.18 p. c.	50.08 p. c.	58.04 p. c.	63.16 p. c.)
Net earnings.....	\$1,212,068	\$1,674,200	\$1,714,423	\$1,739,270	\$1,638,114

The *income accounts*, varying somewhat from the above, supplies the following figures for the same years:

	1862.	1863.	1864.	1865.	1866.
Bal. from old account.....	\$38,434	\$312,124	\$772,636	\$1,002,894	\$708,385
Receipts from ear'gs.....	2,368,569	2,947,917	2,417,186	4,121,913	4,415,279
Total means.....	\$2,407,098	\$3,260,111	\$3,189,822	\$5,124,107	\$5,123,664
Which is accounted for as follows:					
Expenses.....	\$1,149,153	\$1,272,860	\$1,720,125	\$2,406,149	\$2,803,376
Sinking fund.....	84,500	84,500	84,500	84,500	84,500
Interest and exchange.....	679,463	617,657	600,317	622,091	642,726
Cash dividend July.....	.....	(8)181,713	(6)268,423	(12)757,889	(4)259,648
do Jan.....	(3)181,713	(5)302,800	(6)263,433	(6)378,942	(5)344,035
Stock div. July, 1865.....	.....	.....	.....	.....	(6)239,472
U. S. tax on dividend.....	.....	23,385	21,753	60,985	55,722
do on receipts.....	.....	.....	82,469	95,280	112,381
Bal. to new account.....	312,124	772,636	1,002,894	708,385	460,303

The *general account* on the 31st May, yearly, has been as shown in the following statement :

	1862.	1863.	1864.	1865.	1866.
Capital stock.....	\$6,057,710	\$6,057,436	\$6,315,906	\$6,491,388	\$6,982,866
Bonds.....	7,999,489	7,999,489	7,740,989	7,565,489	7,463,489
U. S. tax on coupons.....	.....	4,956	5,435	158	58
Unpaid dividends.....	1,781	487	1,598	680	1,059
Bills and sundries.....	.....	.....	.....	15,492	279,915
Balance of income.....	312,194	772,637	1,002,894	708,825	460,803
Total.....	\$14,371,174	\$14,834,955	\$15,066,822	\$14,781,570	\$15,188,190

Against which are charged as follows :

Construction.....	\$12,847,288	\$13,805,576	\$13,805,576	\$13,805,576	\$14,316,428
Materials.....	.....	.....	.....	174,026	288,065
Cash, bonds, &c.....	206,146	654,725	807,841	242,406	75,750
U. A. & S. R. R. stock.....	609,764	.....	.....	.....	.....
U. & N. I. R. R. stock.....	168,225	168,225	168,225	168,225	168,225
do constr.....	40,763	.....	.....	.....	.....
Land accounts.....	.....	.....	.....	214,173	125,911
Steamboats.....	804,008	.....	.....	.....	.....
Ass. in officers' hands.....	60,458	168,310	75,726	187,049	145,737
Accounts and bills.....	184,567	88,118	209,444	89,596	68,078
Total.....	\$14,371,174	\$14,834,955	\$15,066,822	\$14,781,570	\$15,188,190

FOREIGN TRADE OF NEW YORK FOR THE YEAR ENDING JUNE 30.

We are able now to complete our tables showing the foreign trade of New York for the fiscal year, having received the official figures for June. The business for the year has been, as our readers have become aware from our monthly tables, very large—in fact, beyond precedent—but much of this is due to the peculiar circumstances incident to the close of the late war.

IMPORTS.

It should be remembered, in examining the imports, that the increase this year arises in great part from the fact that the South has supplied her wants through New York almost entirely, instead of importing directly, and, therefore, as we stated last month, the imports at this port bear a much larger proportion to the total imports of the country than formerly. The imports for June we give below, adding the figures for the two previous years :

FOREIGN IMPORTS AT NEW YORK FOR THE MONTH OF JUNE.

	1864.	1865.	1866.
Entered for consumption.....	\$5,513,985	\$8,542,271	\$10,652,723
Entered for warehousing.....	16,906,914	7,123,792	10,957,050
Free goods.....	1,358,634	953,226	1,002,330
Specie and bullion.....	146,781	236,032	94,549
Total entered at the port.....	\$23,926,314	\$16,855,321	\$22,736,652
Withdrawn from warehouse.....	2,544,914	6,346,958	8,967,481

From the above it will be seen that the total goods thrown on the market during each year in June was as follows :

FOREIGN GOODS MARKETED IN JUNE.

	1864.	1865.	1866.
Entered for consumption.....	\$5,513,985	\$8,542,271	\$10,652,723
Free goods.....	1,358,634	953,226	1,002,330
Withdrawn from warehouse.....	2,544,914	6,346,858	8,967,481
Total marketed.....	\$9,417,533	\$15,842,455	\$20,652,484

The large comparative increase in goods marketed for June, 1866, is probably due

to the rumors that the new tariff was to apply to goods in bond. Below we give the total imports for the six months ending June 30 :

FOREIGN IMPORTS AT NEW YORK FOR THE SIX MONTHS FROM JAN. 1.

	1864.	1865.	1866.
Entered for consumption.....	\$76,084, 89	\$38,125,298	\$38,732, 22
do warehousing.....	54,744,422	42,811,119	61,091, 47
Free goods.....	6,152,414	5,022,712	7,031, 84
Specie and bullion.....	1,427,014	1,051,823	1,130, 08
Total entered at port.....	\$138,358,539	\$82,012,052	\$107,985, 61
Withdrawn from warehouse.....	22,839,737	41,626,821	41,626, 34

The increase in imports for the six months over 1865 is about 100 per cent, being \$168,408,031 in 1866, against \$82,012,052 in 1865. That our readers may see the movement each month, we have prepared the following, showing the value imported and marketed each month since January, with the totals for the previous six months :

FOREIGN IMPORTS AND AMOUNT MARKETED AT NEW YORK FOR TWELVE MONTHS.

	1864-65		1865-66	
	Total imports.	Total thrown on market.	Total imports.	Total thrown on market.
Six months.....	\$79,767,221	\$89,201,651	\$147,730,367	\$125,457, 54
January.....	10,620,117	11,711,178	30,102,630	27,212, 00
February.....	11,472,668	11,472,456	30,692,557	29,502, 21
March.....	16,012,873	13,602,068	26,204,940	24,221, 00
April.....	14,174,464	14,369,609	24,810,003	22,302, 22
May.....	12,876,109	17,682,145	22,518,447	21,721, 20
June.....	16,855,321	15,842,455	22,736,653	20,621, 04
Total 12 months.....	\$161,779,273	.....	\$306,133,378	.....
Deduct specie.....	1,890,431	.....	2,251,644	.....
Total merchandise for 12 months.	\$159,888,842	\$152,977,583	\$303,881,734	\$293,221, 34

The following statement gives the totals for the year :

FOREIGN IMPORTS AT NEW YORK FOR THE FISCAL YEAR ENDING JUNE 30.

	1863-64	1864-65.	1865-66.
Entered for consumption.....	\$139,034,088	\$65,189,115	\$175,822, 25
do warehousing.....	83,459,792	82,806,122	112,251, 44
Free goods.....	10,874,108	10,601,200	12,227, 71
Specie and bullion.....	2,099,057	1,890,431	2,251, 64
Total entered at port.....	\$224,967,045	\$159,888,842	\$302,552, 04
Withdrawn from warehouse.....	63,095,973	76,267,862	86,091, 73

From the above, it will be observed that the total imports this year were \$302,552,047, against \$159,888,842 last year, showing about the same increase for the year as for the last six months. We have classified this statement, and give the figures below, showing the imports of dry goods and general merchandise separately :

DESCRIPTION OF IMPORTS FOR THE YEAR ENDING JUNE 30.

	1863-64.	1864-65.	1865-66
Dry goods.....	\$83,234,966	\$47,962,508	\$121,073, 66
General merchandise.....	149,633,022	110,094,903	165,554, 43
Specie and bullion.....	2,099,057	1,890,431	2,251, 64
Total imports.....	\$234,967,045	\$159,888,842	\$302,552, 04

CUSTOMS RECEIPTS.

The following table gives the customs receipts at this port for the eleven months :

RECEIPTS FOR CUSTOMS AT THE PORT OF NEW YORK.

	1864.	1865.	1866.
Six months.....	\$35,042, 976 45	\$24,473,902 73	\$25,007, 22 57
January.....	6,180,536 09	4,231,737 47	12,437, 67 16
February.....	7,484,027 93	4,791,247 10	12,002, 73 74
March.....	7,659,770 47	5,892,099 20	11,173, 154 00
April.....	13,962,555 60	6,802,994 34	10,934, 086 7
May.....	8,855,186 46	8,183,422 66	11,418, 499 10
June.....	8,311,148 43	7,837,075 84	9,559, 086 20
Total for twelve months.....	\$77,506,201 43	\$61,161,079 80	\$122,625, 511 5

These figures for 1866, it will be noticed, do not precisely agree with those we received last month from Washington, and published in the August MAGAZINE, page 152.

EXPORTS.

The imports as given above are stated, of course, in their foreign gold value, freights and duty not added, while the exports of merchandise are given in their currency values. This fact should be remembered in comparing the increase of exports with the increase noted in our imports. At the same time, as affecting the balance of trade, we must also remember the exports of cotton from Southern ports, which have been for the year over 1,000,000 bales; this, at \$150 (specie) per bale (which, we think, is a fair average), would show an export value from the Southern ports of cotton alone of \$150,000,000 in gold. This item plainly indicates how we have paid for our large imports. Below, we give the tables of exports. The following is the comparative summary for June:

EXPORTS FROM NEW YORK TO FOREIGN PORTS IN THE MONTH OF JUNE.

	1864.	1865.	1866.
Domestic produce.....	\$17,996,495	\$8,079,802	\$9,601,089
Foreign free goods.....	75,709	85,417	55,074
Foreign dutiable goods.....	1,282,218	191,425	606,255
Specie and bullion.....	6,533,109	5,199,473	15,890,956
Total exports.....	\$25,887,531	\$13,446,116	\$26,153,374
do exclusive of specie.....	19,354,422	8,246,644	10,262,418

The exports since Jan. 1 are as follows:

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR SIX MONTHS FROM JAN. 1.

	1864.	1865.	1866.
Domestic produce.....	\$85,886,922	\$68,148,767	\$104,251,136
Foreign free goods.....	357,665	694,896	458,794
do dutiable.....	4,181,855	2,143,022	3,025,987
Specie and bullion.....	29,152,121	17,915,759	45,782,420
Total exports.....	\$119,028,563	\$88,242,444	\$153,521,347
do exclusive of specie.....	89,876,442	70,926,685	107,738,917

The following will show the total for the twelve months from July 1 to June 30, inclusive:

EXPORTS FROM NEW YORK TO FOREIGN PORTS FOR THE FISCAL YEAR ENDING JUNE 30.

	1863-4.	1864-5.	1865-6.
Domestic produce.....	\$161,842,911	\$184,617,834	\$210,352,823
Foreign free goods.....	838,526	2,419,689	762,633
do dutiable.....	6,244,839	15,835,262	4,323,375
Specie and bullion.....	58,274,220	39,589,259	57,870,854
Total exports.....	\$227,199,996	\$242,462,044	\$273,309,185
do exclusive of specie.....	168,925,776	202,872,785	215,438,831

We thus see a total currency value of exports at this port for the year of \$215,438,831, against \$308,881,724 in foreign gold values of imports. If to these exports, however, we add the value of the cotton exports from the Southern ports, we have a very different balance.

COMMERCIAL CHRONICLE AND REVIEW.

Commercial and monetary affairs for August—Rates for loans and discounts—Course of Consols and Five-twenties in London—Prices Railroad and other Stocks—Course of Exchange—Prices of Governments—Coupon vs. Registered Bonds—Price of Gold each day—Treasury Movement, etc.

August has not been characterized by that general commercial activity which was anticipated. The common supposition that, having now done with war, we should witness a return to the course of commercial affairs current in former times, has not been realized. The Southern and Southwestern demand for goods has not been forthcoming early in August, as in bygone years, for the very obvious reason that as buyers from the South can operate only for cash, they are compelled to defer their purchases as late as possible. City merchants do not appear to have anticipated this very reasonable course of affairs, but prepared for the Fall business with the opening of August, and have consequently suffered disappointment, but without inducing any panicky tendency. The very satisfactory prospects of the Western crops have created confidence in an ultimate large demand for goods from that section, which has sustained the markets for dry goods and general merchandize. Under this improved tone there has been a general increase of business during the latter half of the month, and the Fall trade may be said to be now fairly inaugurated, with the prospect of better results than were at one time anticipated. Buyers, however, are actuated by a spirit of caution consonant with the natural tendency toward a decline in value, and manufacturers would err were they to construe the prevailing tone of business as encouraging a large production of goods. Their true policy is to produce moderately, thereby supporting the value of their products and forcing down the price of the raw materials, the point at which the decline in values should properly commence.

The course of monetary affairs has been toward extreme ease. The Treasury has disbursed nearly 11 millions of interest upon the second series of Seven-thirty notes, and over 60 millions in the payment of the Temporary Loan, of which about 34 millions has been paid out in this city. This has prevented the tendency toward a stringent money market at the close of August, arising from the Western demand for currency for moving the grain crops, and at present demand loans average the low rate of 4 per cent. Perhaps at no former period has there been experienced in this city such a superabundance of unemployed funds. This condition of affairs is the more remarkable considering that as billers are still on a very contracted scale, there is the more occasion for the use of currency; for it is an accepted rule in monetary science that the curtailment of one form of credit involves a more extensive resort to some other. Below we give the current rates for accommodation each week during the month:

RATES OF LOANS AND DISCOUNTS.

	Aug. 3.	Aug. 10.	Aug. 17.	Aug. 24.	Aug. 31.
Call loans.....	4 @ 5	4 @ 5	3 @ 4	3 @ 4	3 @ 4
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.....	5½ @ -	5½ @ -	5½ @ -	5½ @ -	5½ @ -
Good endorsed bills, 3 & 4 mos.....	6 @ 7	6 @ 7	5½ @ 6½	5 @ 6½	5½ @ 6½
“ “ single names...	7 @ 8	7 @ 8	6½ @ 7½	6½ @ 7½	6½ @ 7½
Lower grades.....	10 @ 15	10 @ 15	10 @ 15	10 @ 15	10 @ 15

This extreme ease in the money market has been coincident with a relaxation of the protracted severe stringency at London, and the results flowing therefrom have been important in their bearing upon such securities as are common to both centres. On the 16th the Bank of England reduced its rate of dis-

counting, and raised to 10 per cent the price of Government securities. Below we give the sale prices at the New York Stock Exchange of Government securities, represented by the closing sale each day during the month of Aug. 1856 :

PRICES OF GOVERNMENT SECURITIES, AUGUST, 1886.

Day of month.	—6's, 1881.—		—6's, 5-20 yrs.—		—5's, 10-40 yrs.—		7-30's	100's
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	1881.	100's
Wednesday 1	109½	.....	108½	.....	99	.....	104½	.....
Thursday .. 2	109½	109½	108½	.....	99½	.....	104	.....
Friday..... 3	109½	109½	108½	.....	99½	99½	104½	.....
Saturday... 4	109½	.....	108½	105½	.....	.....	104½	.....
Sunday..... 5	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 6	.....	.....	108½	.....	99½	.....	.....	.....
Tuesday... 7	109½	.....	109	.....	99½	.....	104½	.....
Wednesday 8	110	.....	109½	105½	99½	.....	104½	.....
Thursday .. 9	110½	110	109½	106½	99½	.....	105½	.....
Friday.....10	110½	.....	109½	.....	99½	95½	105½	.....
Saturday...11	.....	.....	.....	.....	99½	.....	.....	.....
Sunday.....12	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 13	110½	.....	109½	107	99½	.....	105½	.....
Tuesday... 14	110½	110	109½	106½	99½	.....	105½	.....
Wednesday 15	110½	.....	109½	107	100½	.....	105½	.....
Thursday 16	111½	111½	110½	.....	102½	98	106½	.....
Friday.....17	111½	.....	110½	108½	102	.....	105½	.....
Saturday.. 18	111½	111	110½	.....	102	.....	105½	.....
Sunday.... 19	.....	.....	.....	.....	.....	.....	.....	.....
Monday .. 20	112	.....	110	.....	102½	.....	105½	.....
Tuesday .. 21	111½	111½	110	108½	102	.....	105½	.....
Wednesday 22	.....	.....	110½	108½	101½	98½	105½	.....
Thursday.. 23	.....	.....	110	.....	102	98	105	.....
Friday..... 24	111½	.....	110½	.....	102	.....	105	.....
Saturday... 25	111½	111½	111½	108½	102½	.....	105½	.....
Sunday..... 26	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 27	.....	112	118½	109	103½	.....	107	.....
Tuesday... 28	112½	.....	118½	.....	103½	.....	107	.....
Wednesday 9	.....	.....	.....	.....	.....	.....	.....	.....
Thursday .. 30	.....	.....	112½	.....	103	.....	107½	.....
Friday..... 31	112½	.....	112	.....	102½	98½	107½	.....
Opening.....	109½	109½	108½	105½	99	95½	104½	.....
Highest.....	112½	112	118½	109	103½	98½	10 ½	.....
Lowest.....	109½	109½	108½	105½	99	95½	104	.....
Closing.....	112½	112	112	109	102½	98½	107½	.....

The following are the closing quotations of the leading stocks on Friday of the last seven weeks :

	July 18.	July 20.	July 27.	Aug. 10.	Aug. 17.	Aug. 24.	Aug. 31.
Cumberland Coal.....	46	46½	47½	47½	47½	47½	47½
Quicksilver	50	50½	49½	51	51	51	51
Canton Co.	52½	53	52½	52½	.....	.....	52½
Mariposa pref.. ..	22½	26½	27½	.....	.....	26	.....
New York Central.....	104½	104½	104½	106	104½	104	104½
Erie	65½	64½	68½	69½	69½	73	73
Hudson River	116	120	121	121	.....	.....	116
Reading.....	110½	111½	112	112½	115½	115½	115½
Michigan Southern ...	82½	83½	84½	86	85½	85½	84½
Michigan Central.....	.....	110	110½	110½	111	114	111
Cleveland and Pittsburg.	84½	84½	87½	87½	87½	87½	87½
Cleveland and Toledo....	110½	112½	116½	116½	116	116	115½
Nor.hwestern	85½	85½	87½	86½	85½	86½	85½
" preferred..	61½	64½	67½	67½	67½	65½	67½
Rock Island	97½	99½	103½	106½	107	109½	104½
Fort Wayne	99½	101½	103½	103½	104½	104½	104½
Illinois Central	124½	120	122½	122½	122½	123½	123½

The robbery of Government bonds in this city during the past month has given rise to considerable discussion, and surprise has been expressed that so large a part of our national debt should be in the unsafe form of coupon bonds liable to be destroyed by fire, lost by accident, or purloined by thieves. We might suppose, at first sight, that the registered bonds being safer, would bring a larger price in the market. But this is not so. However contrary to antecedent probability the reverse is true, as a glance at the Stock Exchange report will show. For the first time in the history of the Government, a singular anomaly has during the last week in August been exhibited, of a difference of four per cent. between the quotations for registered United States bonds and coupon bonds of the same issue. Intrinsically, the two species of bonds are of

the same value ; for they draw the same rate of interest, mature at the same time, and the coupon bonds may be converted into the registered bonds at the will of the owner, who has only to take the trouble of sending them to Washington for that purpose. There are several points suggested by this anomaly which merit examination.

As to the immediate cause of it there is no doubt at all. The bonds in which it exists are known as the old Five-twenties of 1862, which are so exclusively dealt in in Europe that no other species are good delivery in fulfillments of contracts. The bonds of 1865, which are really more valuable, as they have three years longer to run, are not as yet known in the European market, though an effort is making to get them introduced there. Hence it is that the orders from abroad run exclusively on the old Five twenties, and, of course, registered bonds are useless for exportation, coupon bonds being alone negotiable abroad. Now, it is easy to see that when from any circumstance a very lively foreign demand springs up for our bonds, the coupon old Five-twenties will exclusively be called for, and, the supply in market being limited, their price will go up, while that of the other bonds may be either stationary or will at least be less lively in their upward movement. The old bonds have sold as high as 114 during the recent excitement, while the highest price of the more valuable bonds of 1865 was about 110.

This, however, is not quite the whole of the case. We have explained why the bonds of 1862 sell higher just now than those of 1865 ; but why should the coupon bonds of 1862 sell higher than the registered ? Are not the registered bonds available for export purposes by being sent to Washington to be exchanged for coupon bonds ? The answer is that they are not so available. The law allows you to convert your coupon bonds into registered bonds, but it makes no provision for the reverse process of converting registered bonds into coupon. This unnecessary disability is much complained of, and not unjustly. An effort will be made at the next session of Congress to get a new enactment passed removing these incongruities of the existing statutes regulating this important question of the reciprocal conversion of coupon and registered bonds into each other.

There are other reasons for a change in the law besides those we have referred to. And of these, one of the chief is the safe-keeping of bonds. The recent heavy robberies of securities show how necessary it is to prevent the thief from negotiating stolen securities. But this is impossible with the ordinary coupon bonds, which are payable to bearer ; for the courts hold that such a bond passes from one holder to another just as freely as a bank note or gold eagle. A *bona fide* purchaser, in good faith and in the ordinary course of business, has a clear title to a bond which may have been formerly stolen, even against the man from whom it was stolen. In the case of a horse, the owner may seize it wherever found, but not so with a bond payable to bearer. This, if lost, is irrecoverable by so summary a process.

The only absolute security for the owner of a coupon bond is to have it exchanged for a registered bond. If he loses it, nobody but himself can draw the interest when due, nobody but himself can claim the principal at maturity. The safety is thus as complete as, in the nature of things, human care and legislative

arrangements can make it. But there is another difficulty. Suppose the owner of a registered bond wants to convert it back again. He cannot do it, and this very circumstance prevents many persons from converting their coupon bonds, for the latter are more easily bought and sold. If you wish to sell a coupon bond, all you have to do is to deliver it to the buyer, to get your money on the spot, and the transaction is closed. With a registered bond, there is the delay of sending it to Washington for transfer, and, for two months of every year, you cannot even do this, for the books close during the months of April and October, preparatory to the May and November payment of interest, and in the interval you cannot transfer your bonds to a purchaser on the Government books. This difficulty has been met by an assignment in blank, as it is termed, which really takes away for the time being the special security of the registered bond, as a fraudulent holder might avail himself in the blank assignment which you have signed, and might thus be enabled probably to sell the bond. Rather than submit to these inconveniencies, most persons prefer to hold the coupon bonds.

Now it has been suggested that these and other inconveniences attaching to the ownership of registered bonds might be obviated by having the transfer books kept in New York. Nine-tenths of the business in Government securities is done in this city, and it is obviously for the convenience of the people, for the interest of bond-holders, and, therefore, for the interest of the Government, that the transfers should be made here, instead of at a place so far removed as Washington from the great metropolitan centre of trade, finance and commerce. As to the foreign purchaser of United States securities, we can do nothing to protect him from the losses and incertitude incident to the possession of coupon bonds; but in the case of our own citizens we must, for we can, protect them. And it seems to us that one of the best means of doing this is to induce them to prefer registered to coupon bonds by some such expedient as we have suggested.

The total amount of Government bonds sold at the the Stock Exchange during August amounts to \$10 987 850, and of Treasury notes \$2,577,000; which, though not varying materially from the transactions in July, is yet very largely in excess of the average monthly transactions.

The course of exchange during the month has tended steadily downward, under the large exports of bonds, which have kept the supply of bills steadily in advance of the demand. The imports for the month have materially exceeded the exports, even including the shipments of securities; from which it is occasionally argued that, the balance of trade being against us, exchange should rise higher. It is, however, overlooked that our exports to Great Britain are usually paid for promptly, while our imports are upon four to eight months' credit. At the close of the month bills on London and Paris range 3@3½ per cent. below par of exchange. The following table shows the daily fluctuations in basket bills (long) on London, Paris, Amsterdam, Bremen, Hamburg, and Berlin at New York for August:

COURSE OF FOREIGN EXCHANGE FOR AUGUST.

[illegible]

The gold market has been subject to violent fluctuations, owing to a speculative combination for making gold scarce and forcing up the premium.

The prospect of an importation of gold from abroad and the maturing of interest upon Ten-forty bonds on the 1st of September have induced the clique holders to realise upon their coin, and the market closes easier. The following are the daily quotations for gold for the month of August :

COURSE OF GOLD FOR AUGUST.

Date.	Open'g	High'st	Lowest	Closing.	Date.	Open'g	High'st	Lowest	Closing.
Tuesday.....	1 149	149	148½	148½	Monday.....	20 148½	148½	148½	148½
Wednesday.....	2 148½	149½	147½	148	Tuesday.....	21 147½	148½	147½	147½
Friday.....	3 148½	148½	147½	147½	Wednesday.....	22 147½	149½	147½	147½
Thursday.....	4 148	148	147	147½	Thursday.....	23 150½	151	149½	150½
Monday.....	5 .....	.....	.....	.....	Friday.....	24 150½	150½	148	148
Tuesday.....	6 147½	148	147½	147½	Saturday.....	25 147½	148	147	147
Wednesday.....	7 147½	148	147½	147½	Sunday.....	26 .....	.....	.....	.....
Thursday.....	8 148	149	148	148½	Monday.....	27 146½	148½	146½	148½
Friday.....	9 148½	148½	148½	148½	Tuesday.....	28 148½	149½	148½	148½
Saturday.....	10 148½	148½	148½	148½	Wednesday.....	29 148½	148½	148½	148½
Sunday.....	11 148½	149	148½	148½	Thursday.....	30 148	148½	147½	147½
Monday.....	12 .....	.....	.....	.....	Friday.....	31 147½	147½	147½	147½
Tuesday.....	13 149½	149½	149½	149½	August, 1866.....	149	152½	146½	147½
Wednesday.....	14 149½	150½	149½	150½	" 1865.....	144½	145½	140½	144½
Thursday.....	15 150½	152	150½	151½	" 1864.....	255	261½	231½	238
Friday.....	16 151½	153½	151½	152½	" 1863.....	129½	129½	122½	127½
Saturday.....	17 151½	151½	150½	151½	" 1862.....	115½	116½	112½	115½
Sunday.....	18 151	151	148½	149½	" 1861.....	100	100	100	100
Monday.....	19 .....	.....	.....	.....		

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows :

TREASURE MOVEMENT FOR 1866.

1866. week ending	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury		Gold Certificates		In bank at close of week
			Customs receipts.	Interest payments.	Issued.	returned.	
Jan. 6.....		\$552,027	\$2,107,841	\$2,597,240	\$2,122,440	\$1,34,882	\$15,72,74
" 13.....	\$685,610	640,503	2,334,694	1,180,789	2,206,180	1,573,194	16,32,30
" 20.....	799,706	635,894	2,754,369	574,162	2,706,406	1,928,641	15,35,72
" 27.....		656,812	2,226,040	279,842	2,583,400	2,137,043	12,56,30
Feb. 3.....	944,878	292,568	3,247,422	115,204	2,061,280	2,221,422	10,37,73
" 10.....	1,449,074	4,8409	3,251,734	120,179	1,916,700	2,373,735	10,12,48
" 17.....		445,489	2,893,008	94,823	2,997,900	2,158,009	10,46,73
" 24.....	1,209,046	560,193	2,608,794	119,779	5,893,230	1,935,736	14,24,25
Mar. 3.....		75,453	3,336,934	1,183,343	2,125,000	2,654,934	17,12,19
" 10.....	1,469,286	556,284	2,297,896	882,712	2,101,000	1,706,835	16,53,25
" 17.....	1,425,853	236,671	2,464,482	328,593	1,498,400	1,919,423	15,73,26
" 24.....	889,837	170,297	2,509,419	174,911	361,280	1,936,419	13,56,77
" 31.....	678,615	2,500	2,451,345	226,414	1,376,000	1,366,334	11,84,72
Apr. 7.....		216,842	2,563,010	63,140	3,16,840	2,120,190	11,68,25
" 14.....	729,892	122,623	2,857,704	49,800	5,038,460	2,274,704	11,05,19
" 21.....	809,459	117,312	2,585,568	85,169	4,071,000	1,971,568	9,87,51
" 28.....		73,880	2,246,307	40,506	4,137,140	1,760,207	8,32,97
May 5.....	1,318,271	1,247,249	2,711,181	7,061,900	4,653,000	2,227,181	10,94,37
" 12.....	1,072,820	1,044,496	2,417,391	2,648,000	3,110,000	1,943,391	12,71,22
" 19.....		8,763,295	2,542,814	1,702,000	2,842,000	2,069,814	13,56,46
" 26.....	1,276,506	9,421,766	2,858,455	940,100	9,177,000	1,929,454	19,27,49
June 2.....	324,562	6,870,997	2,182,395	70,500	1,327,000	1,911,395	26,38,28
" 9.....	949,906	4,220,756	2,141,066	288,800	2,600,000	1,861,077	15,42,23
" 16.....		6,055,743	2,071,621	67,000	3,719,000	1,788,621	11,27,25
" 23.....	892,365	1,408,294	2,309,676	106,184	2,793,000	1,809,676	8,54,66
" 30.....		510,574	2,002,265	296,748	3,232,000	2,309,261	7,37,24
July 7.....	1,617,899	1,630,730	2,47,626	3,964,634	4,174,000	2,081,636	9,43,28
" 14.....	1,429,833	2,231,270	2,486,296	1,267,680	3,614,400	2,162,296	12,41,64
" 21.....	2,051,556	416,013	2,480,149	324,100	2,452,000	2,187,149	10,44,56
" 28.....		1,515,446	2,926,884	277,044	2,120,000	2,54,764	9,29,36
Aug. 4.....	1,55,481	530,174	2,794,658	1,5560	1,809,000	2,10,654	9,44,40
" 11.....		152,375	2,676,322	61,400	970,000	2,328,321	8,12,20
" 18.....		117,990	2,461,877	50,300	2,064,000	2,145,876	7,45,51
" 25.....	2,091,601	787,312	3,069,893	6,967	2,188,000	2,545,893	6,94,77

Since Jan 1..... \$26,266,616 52,832,448 89,040,606 29,136,479 10,327,140 79,221,366 \$.....

The following table, compiled from the records for the past eight months of the current year, and for the same months of the previous seven years, shows the general results of the import and export of treasure at this port :

Months, &c.	California.	New Supply.		Exports to for. ports.	Excess of—	
		Foreign.	Total.		Supply.	Export.
January.....	\$1,485,816	\$72,771	\$1,558,087	\$2,706,336	\$.....	\$1,148,249
February.....	2,603,000	172,122	3,775,122	1,807,030	1,968,092	.....
March.....	3,968,290	286,854	4,244,145	1,045,039	3,199,105	.....
April.....	1,539,321	161,817	1,701,138	582,875	1,118,263	.....
May.....	3,992,148	393,078	4,385,221	23,744,194	.....	19,35,97
June.....	1,842,271	91,549	1,933,820	15,890,966	.....	13,96,14
July.....	6,754,669	123,592	6,878,261	5,801,459	1,076,802	.....
August.....	4,427,659	161,316	4,588,978	1,587,851	3,001,127	.....
Jan. Aug. '66.....	\$27,602,674	\$1,463,017	\$29,067,771	\$53,171,740	\$.....	\$24,101,97
do do '65.....	11,711,304	1,501,235	13,212,539	20,173,143	.....	6,962,64
do do '64.....	7,775,371	1,800,924	9,576,295	32,100,464	.....	22,524,19
do do '63.....	8,864,053	1,149,890	10,003,943	29,398,111	.....	19,392,16
do do '62.....	16,013,733	823,259	16,836,992	39,748,220	.....	22,911,23
do do '61.....	25,421,160	33,955,718	59,376,878	3,264,058	56,112,820	.....
do do '60.....	22,601,048	896,932	23,497,975	25,637,641	.....	12,14,66
do do '59.....	25,181,345	1,649,501	26,780,846	47,658,179	.....	20,871,33

The receipts of gold from California for the month amount to \$4,427,659, and from foreign ports to \$161,316, making a total new supply of \$4,588,978 against a foreign export of \$1,587,851 ; so that there has been a gain at this port of \$3,001,127 for the month. According to cable advices, there is now in transit about \$1,500,000 of gold from London for New York, indicating a course of exchanges which may add materially to the supply of coin upon the market.

JOURNAL OF BANKING, CURRENCY, AND FINANCE.

New York City Bank returns—Returns of the Boston and Philadelphia Banks.

We give below the bank returns of the three cities. It will be seen that the specie in New York is at a lower point than ever before :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$570,617,533
" 13.....	234,938,193	16,852,568	19,162,917	197,766,999	72,019,957	608,082,887
" 20.....	239,337,726	15,965,827	20,475,707	198,816,248	72,799,892	538,949,811
" 27.....	240,407,836	18,106,759	20,965,883	195,012,454	70,819,146	516,323,672
Feb. 3.....	242,510,882	10,937,474	21,494,234	191,011,695	68,796,250	508,569,123
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,436,018	493,431,032
" 17.....	242,068,259	10,308,758	22,963,274	189,777,290	64,802,980	471,896,751
" 24.....	239,776,200	14,213,851	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3.....	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,959
" 10.....	233,068,274	16,563,237	23,033,237	180,515,881	64,341,802	594,204,912
" 17.....	233,517,878	15,015,242	23,303,057	185,438,707	68,402,764	579,216,509
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,083	593,448,864
" 31.....	237,316,099	11,930,392	23,736,534	188,554,592	72,158,099	529,240,640
Apr. 7.....	242,643,753	11,486,245	24,127,031	189,094,961	71,445,005	602,315,748
" 14.....	244,009,839	11,085,129	24,533,981	193,153,469	73,910,370	576,537,853
" 21.....	242,067,063	9,495,463	24,045,857	196,808,573	77,622,688	585,834,778
" 28.....	241,017,692	8,343,937	25,377,280	202,718,574	80,559,022	545,339,663
May 5.....	232,974,184	10,914,997	25,415,677	210,373,303	81,244,447	603,556,177
" 12.....	237,621,317	13,970,402	24,693,259	217,552,853	85,040,659	523,093,538
" 19.....	235,890,468	13,595,465	25,189,864	217,427,729	85,710,107	579,342,488
" 26.....	237,909,598	19,736,929	26,223,867	208,977,905	73,829,947	713,575,444
June 2.....	250,959,023	21,858,093	26,244,255	198,122,239	69,188,92	713,575,444
" 9.....	249,538,959	15,821,663	25,967,253	202,503,949	74,623,674	638,656,381
" 16.....	247,301,547	11,217,375	25,897,876	202,415,673	79,179,304	613,698,301
" 23.....	243,496,808	8,504,096	26,585,394	201,969,288	80,840,578	696,447,630
" 30.....	250,884,168	7,797,213	26,706,622	204,357,272	81,832,640	568,842,490
July 7.....	257,534,833	9,865,266	27,296,530	205,799,611	79,541,688	511,182,914
" 14.....	259,133,434	12,451,684	27,204,173	207,160,043	75,541,977	637,635,787
" 21.....	255,965,018	10,860,147	27,579,020	213,049,079	80,524,992	598,705,726
" 28.....	256,612,071	9,701,046	27,249,812	214,582,926	84,705,814	430,324,808
Aug. 4.....	256,808,17	9,448,900	27,311,549	214,156,705	86,235,079	523,246,814
" 11.....	258,263,063	8,424,209	27,523,522	214,232,263	86,861,834	494,810,975
" 18.....	261,951,924	7,545,513	27,796,904	214,310,576	84,800,071	546,635,346
" 25.....	265,901,065	6,884,077	27,958,464	218,119,450	86,233,483	617,950,350

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$41,941,001	\$890,822	\$7,226,369	\$35,342,306
" 8.....	17,296,320	46,774,150	983,685	7,319,528	36,618,004
" 15.....	17,367,412	47,350,428	1,007,196	7,357,972	36,947,700
" 22.....	17,052,559	47,254,622	1,012,980	7,411,337	36,214,653
" 29.....	16,241,277	47,607,558	1,008,825	7,432,534	35,460,881
Feb. 3.....	16,481,045	47,237,661	1,000,689	7,668,365	34,681,135
" 10.....	16,852,737	47,249,383	996,312	7,819,599	34,464,079
" 17.....	16,777,175	46,931,337	953,207	7,843,002	33,926,542
" 24.....	17,282,602	46,865,572	1,026,406	7,732,070	33,052,252
Mar. 3.....	17,447,635	46,604,752	1,041,392	8,121,049	32,835,094
" 10.....	17,292,534	46,546,878	1,035,694	8,248,100	32,504,508
" 17.....	16,375,608	46,690,788	1,026,068	8,438,184	32,102,427
" 24.....	15,969,814	46,642,150	981,052	8,580,200	32,144,250
" 31.....	15,951,832	46,043,488	990,630	8,666,230	32,257,653
April 7.....	16,622,233	46,028,641	946,282	8,720,270	32,762,260
" 14.....	18,323,759	45,114,699	949,116	8,743,396	31,640,861
" 21.....	18,660,513	45,762,733	936,876	8,761,213	35,448,955
" 28.....	18,949,719	46,832,734	880,241	8,779,166	36,032,863
May 5.....	19,144,660	48,006,654	912,023	8,794,348	34,937,007
" 12.....	19,646,243	43,236,256	896,741	8,930,420	38,414,568
" 19.....	19,643,232	48,326,567	897,913	8,918,983	37,296,645
" 26.....	19,715,093	49,036,934	867,094	8,988,742	37,078,413
June 2.....	21,154,909	47,564,996	890,121	9,022,553	38,189,566
" 9.....	21,563,085	48,118,897	859,633	9,007,515	38,326,934
" 16.....	20,503,591	43,616,145	897,881	9,219,553	36,972,476
" 23.....	21,105,316	48,106,314	899,999	9,290,094	36,715,308
" 30.....	21,455,836	48,266,904	863,454	9,325,475	37,242,979

July 7	20,546,695	48,892,504	864,981	9,431,864	21,735,735
" 14	21,811,668	49,493,405	852,753	9,442,146	21,797,977
" 21	21,812,505	49,009,816	849,770	9,437,394	21,775,389
" 28	20,952,371	48,935,067	836,096	9,363,473	21,730,945
Aug. 4	20,594,826	49,682,529	825,978	9,516,734	21,944,694
" 11	20,060,546	49,164,321	835,158	9,543,473	21,699,298
" 18	19,863,685	48,530,454	821,230	9,506,733	21,592,111
" 25	20,412,323	48,591,763	807,071	9,575,534	21,686,687

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.
(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1	\$91,421,477	\$801,415	\$19,807,300	\$38,451,794	\$21,497,354	\$1,494,731
" 8	92,245,129	1,081,327	19,914,065	41,718,122	21,893,139	1,525,739
" 15	92,959,864	1,029,105	20,438,014	40,939,870	21,943,586	1,523,909
" 22	92,665,111	1,040,114	20,750,696	40,300,639	22,034,542	1,523,673
" 29	92,877,783	1,008,018	20,544,830	39,153,816	21,893,313	1,537,509
February 5	94,578,358	805,237	20,568,135	40,436,163	22,325,423	1,525,739
" 12	94,063,837	632,591	20,412,589	38,763,019	22,342,639	1,057,223
" 19	95,250,429	508,423	20,418,909	33,494,036	22,602,537	1,032,731
" 26	93,539,000	521,292	20,262,177	36,336,481	22,897,971	1,046,622
March 5	92,990,512	556,856	20,034,963	35,581,876	22,606,835	1,396,779
" 12	90,705,159	623,938	19,905,126	35,297,496	22,739,329	721,009
" 19	91,902,811	606,992	20,470,018	36,696,321	24,012,919	912,749
" 26	91,931,236	513,158	20,913,521	35,837,368	23,012,387	994,629
April 2	92,351,979	532,556	20,761,014	36,697,227	23,067,083	689,339
" 9	92,142,975	487,455	20,334,570	37,426,567	23,293,642	590,009
" 16	91,250,883	457,648	19,902,647	37,606,696	23,535,043	571,139
" 23	86,130,897	411,693	19,309,145	36,946,182	22,469,466	744,409
" 30	86,723,001	401,113	19,549,614	38,336,210	22,853,630	744,439
May 7	90,369,569	576,150	21,415,716	41,205,276	23,516,330	721,009
" 14	90,323,554	501,013	22,462,522	42,021,976	23,551,579	692,127
" 21	89,634,864	472,172	22,973,509	41,611,149	23,135,903	651,127
" 28	91,833,402	436,391	23,658,956	41,631,746	23,722,377	644,039
June 4	92,287,648	503,991	23,148,678	42,992,749	23,673,615	692,127
" 11	89,878,993	374,966	25,470,926	42,858,966	22,916,309	492,399
" 18*	87,568,533	371,596	24,426,749	41,992,820	21,345,977	544,909
" 25	94,336,170	323,335	25,019,436	42,567,020	23,632,008	597,227
July 16	95,047,000	453,600	21,610,000	40,417,000	24,145,000	433,000
" 23	95,995,896	441,689	22,786,733	40,935,863	24,057,733	491,349
" 30†	95,003,698	363,776	22,942,659	39,770,363	23,304,636	555,349
August 6	96,672,749	318,779	22,432,317	40,549,379	24,116,735	392,379
" 13	95,771,749	295,241	21,101,481	39,192,630	24,104,597	692,739
" 20	94,915,075	323,670	20,817,159	38,619,847	24,239,316	392,379
" 27	94,819,253	323,083	21,688,693	39,028,518	24,362,317	392,439

* No returns from National Bank of Redemption. † No returns from the Traders' Bank.

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurers' returns in the Treasury Department, on the 1st of June, the 1st of August and the 1st of September, 1866, comparatively :

DEBT BEARING COIN INTEREST.

	June 1.	Aug. 1.	Sept. 1.
5 per cent. bonds	\$198,241,100	\$198,241,100	\$198,241,100
6 " " of 1867 and 1868	18,323,593	18,323,593	18,323,593
6 " " of 1861	263,745,500	263,734,109	263,734,109
6 " " 5.20's	695,515,000	742,329,630	742,329,630
Navy Pension Fund .....	.....	.....	21,739,000
	\$1,195,825,193	\$1,242,628,432	\$1,223,357,432

DEBT BEARING CURRENCY INTEREST.

	June 1.	Aug. 1.	Sept. 1.
6 per cent. bonds	\$5,402,000	\$5,042,000	\$5,392,000
Temporary Loan	124,561,456	118,065,479	45,585,400
Certificates of Indebtedness	43,025,000	.....	.....
3-year Compound Interest Notes	162,012,140	156,012,140	151,512,140
3-year 7.30 notes	812,221,600	793,949,399	793,949,399
	\$1,147,222,236	\$1,073,066,998	\$975,438,939

DEBT ON WHICH INTEREST HAS CEASED.

Various bonds and notes	\$4,900,430	\$4,673,169	\$11,621,044
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DEBT BEARING NO INTEREST.			
United States Notes.....	\$402,128,818	\$470,861,728	\$399,603,592
Fractional currency.....	27,834,965	28,684,139	26,483,998
Gold certificates of deposit.....	22,568,820	16,403,180	15,480,230
	<u>\$452,532,603</u>	<u>\$443,449,047</u>	<u>\$441,567,810</u>
Aggregate debt.....	\$2,798,979,451	\$2,770,416,609	\$2,728,814,896
Coin and Currency in Treasury.....	<u>129,691,063</u>	<u>187,817,833</u>	<u>132,631,668</u>
Debt, less coin and currency.....	\$2,679,288,388	\$2,683,099,276	\$2,596,183,228

The following statement shows the amount of coin and currency separately at the dates in foregoing table :

	June 1.	Aug. 1.	Sept. 1.
Gold Coin.....	\$50,679,856	\$61,822,127	\$76,833,918
Currency.....	<u>79,011,125</u>	<u>75,995,806</u>	<u>56,297,750</u>
Total gold coin and currency.....	\$129,691,063	\$187,817,833	\$132,631,668

THE MEXICAN FINANCES.

The London News gives the following exhibit of the finances of the Mexican Empire. The political, military, and financial condition of Mexico has been sketched with a masterly hand by the present French Minister of Foreign Affairs in more than one dispatch since the beginning of the year and the facts constitute a full justification of the resolution announced by the French Government to withdraw from its intervention in Mexico. But there are certain results of that intervention which will remain after the final settlement of accounts between the two Emperors, and which greatly concern the British creditor. At the beginning of the year Mr. Middleton, Secretary of the British Legation in Mexico, sent home an approximate estimate of the amount of the revenue and expenditure of the Mexican Empire to be calculated on for the year 1866. We reprint it :

REVENUE.	
Maritime Custom Houses.....	\$12,500,000
Internal Custom-houses.....	5,200,000
Direct taxes upon property in town and country.....	1,200,000
Direct taxes upon commercial and industrial establishments.....	250,000
Mining duties.....	650,000
Stamped paper, Post-office and other miscellaneous taxes....	1,000,000
Total.....	<u>\$20,800,000</u>

EXPENDITURE.	
Imperial House.....	\$1,740,000
Ministry of the Imperial House.....	80,000
" " State.....	340,000
" " Foreign Affairs.....	290,000
" " the Interior.....	3,700,000
" " Justice.....	900,000
" " Public Instruction	488,000
" " War.....	12,970,000
" " Public Works.....	1,626,000
" " Finance	3,400,000
Total.....	<u>\$25,484,000</u>

Mr. Middleton suggests that the customs revenue may produce a million dollars more than the amount stated above; but, when he expressed that opinion, he did not know that the French occupation, which had given such an impulse to consumption and importation, was about to cease. On the other hand, he points out that the cost of the French contingent is not included in the estimate. He observes, moreover, that "owing to the little progress being made in the pacification of the country," the amount set down for military expenditure will not

prove sufficient. The charges of the public debt remain to be added. They are as follows :

PUBLIC DEBT.		
Interest and sinking fund on British Convention.....	\$750,000	
Interest and sinking fund on Padre Moran Convention....	150,000	
Interest and sinking fund on Spanish Convention.....	450,000	
Interest and sinking fund on the Internal Debt.....	1,200,000	
The Government estimate of Interest payable on the Mexican Stocks in London, including the Deferred Bonds, and on the amounts of the Miramar and Paris Loans, is calculated at.....	10,250,000—	\$12,500,000
Unpaid balances on Laguna, Seca and Guadalajara Conductas, estimated at.....		150,000
Sundry Recognized Claims.		50,000
Subvention to Vera Cruz Railway.		1,500,000
Total.....		\$14,250,000

The general result is thus stated by Mr. Middleton :

Total Revenue.....		\$20,000,000
Imperial House and the different Departments of State.....	25,434,000	
Interest on Public Debt.....	14,595,000—	40,029,000
Total deficit.....		\$19,229,000

Here, then, we find the Mexican Government, in the third year of the French expedition, with an annual deficit nearly equal in amount to the gross revenue. But this is not all. Since Mr. Middleton wrote, the French Government has come to an agreement with that of the Emperor Maximilian, under which the debt owing to France for the expenses incurred in setting up the Emperor Maximilian's throne is taken at ten millions sterling, upon which sum interest is to be paid at the rate of three per cent. So, then, it comes to this, that the French intervention which was to have regenerated Mexico, but which, in fact, has merely intensified all the evils previously existing there, has saddled Mexico with an additional annual burden of two millions and a half sterling—a souvenir of the French occupation which the Mexicans will doubtless be careful to preserve.

THE RICE CROP FOR 1866.

The Charleston *Daily News*, in an article on the growth of rice in South Carolina, gives the following estimate of the yield this year in South Carolina and Georgia. The figures for South Carolina are prepared after making careful inquiries in the different districts, while those for Georgia are estimated simply:

ESTIMATE OF THE RICE CROP IN SOUTH CAROLINA AND GEORGIA FOR 1866.		
Waccam w, Pee Dee and Santee districts.....	tierces	Clean rice 12,000
Cooper River district		3,000
Pon Pon, Ashepoo, Combahee, and vicinity.....		5,000
Savannah Back River, amount to come to Charleston.....		5,000
Crop of Georgia.		5,000
Total.....	tierces	33,000

There is, perhaps, a limited amount planted on the Cape Fear River. North Carolina, and some inland rice produced in the interior ; the latter will, to a certain extent, if the price keeps up, be brought to this market by railroad, but the above estimate will not be much changed by these elements. The dangers now are an equinoctial gale, and bad work during harvest. To show our readers the complete prostration of this branch of agriculture by the war, we give the receipts at this point during the years '59 and '60, and '60 and '61, and the same for '65 and '66, and conjecturally for '66 and '67 :

Receipts at Charleston from the Sep. 1, 1859, to 31st Aug., 1860.....	tierces	154,970
Receipts from Sep. 1, 1860, to August 31, 1861.....		126,300
Receipts from September 1, 1865, to August 31, 1866		4,000
Estimated for 1866 and 1867.....		25,000

SHARK FISHING IN NORWAY.

Among the official reports lately published in England occurs a brief account of the shark fishery as at present carried on by the Norwegian fishermen along the coast. This fishery has not attracted the attention in the southern part of the country which it deserves, not from the scarcity of fish, but the deficiency of appliances and absence of that experience which is considered necessary to success. A prevailing opinion, however, exists that, if properly prosecuted, it would become equally as lucrative in the south as it has proved to be in the north. The vessels employed in it generally range from 25 to 35 tons, manned with a crew of six men. They lie at anchor on the banks, with 150 to 200 fathoms water, by a grappling weight about 2 cwt, with a warp about 300 fathoms in length, and about four to five inches in circumference. A box perforated with holes, or a canvas bag containing the residuum or refuse blubber, after the oil has been extracted by boiling, is attached to the line not far from the bottom, near the grappling; globules of oil are found to ooze out, or to percolate through the holes, or bag and to float away in the continuous stream, serving as a decoy, in a similar manner as the cod-roes are applied in France, where they are thrown into the sea as ground bait to attract the sardines. Led by this stream, the sharks are guided to the main bait, which is attached to a thin iron chain, of from one to two fathoms in length. This is fastened to a line of about the thickness of the stem of a common tobacco pipe. At the end of the chain the hook is fastened, which is usually of the size of a salmon gaff, and is baited with some kind of fish, or, what is preferable, about a pound of seal blubber. On hooking the shark, he is hauled to the surface of the water by the aid of a single purchase. Each vessel is furnished with four of these, two on each side. The line, being small, is only calculated to bring the fish to the level of the water; his nose is then hauled a little above the surface, and a smart blow is immediately struck, by which he becomes stunned. A large hook at the end of a pole, attached to a strong tackle, is then driven into the fish, and by this means he is hoisted on deck. The belly is cut open, and the liver taken out, a hole is made in the stomach for the purpose of inflating it with wind, which done, the hole is again tied up, and the fish got into the water, and permitted to float away. The length of the fish varies from ten to eighteen feet. The value depends upon the size, quantity, and quality of the livers, which yield from one-half to two barrels, or from fifteen to sixty gallons of fine oil each.

The result of a fishery carried on in open boats depends greatly on the wind and weather. When a boat's crew obtain from two to four barrels of liver they are satisfied. Under favorable circumstances, however, they obtain from seven to eight; and if, during the course of the winter, they can get from forty to fifty barrels, the catch is considered a good one. Besides the liver, when the fish can be towed to the shore, the flesh is converted into food for the cattle, when a scarcity of dried fish heads, which are prepared for that purpose, arises. It is occasionally used also as human food, but then as "rakling," which is prepared by being cut up into long strips and wind-dried in the open air, or buried in the ground until partially decomposed, when it is taken up and prepared in a peculiar manner, so as to become edible and fit for human food. It requires, however, (says Mr. Cowe) an Arctic stomach to digest it.

Total Distribution of Refined Petroleum.

	1862-3.	1863-4.	1864-5.
To Eastern markets.....	246,384	279,004	286,727
To Western markets.....	17,533	29,188	27,776
Totals.....	263,917	308,271	314,503

Distribution of Crude Petroleum for 1862-3, 1863-4, 1864-5, showing exports by corresponding quarters, for those years, by railroad alone, to the various States, from Pittsburg:

	Sept. '62 to Jan. '63.	Sept. '63 to Dec. '63.	Sept. '64 to Dec. '64.	Jan. 1, '63, to Apr. '63.	Dec. 1, '63, to Mar. '65.	Dec. '64 to Mar. '65.
Pennsylvania..... bbls	31,523	24,039	50,276	52,189	9,046	18,904
New York.....	12,315	7,547	37,195	34,428	14,194	8,500
Maryland.....	4,707	9,998	17,412	10,895	7,430	11,731
Massachusetts.....	3,183	3,087	4,990	2,030	4,735	.....
Ohio.....	67	965	251	1,210	290	1,193
Indiana.....	232	784	15	570	11	.....
Illinois.....	417	820	492	2,693	177	.....
To other points.....	7	1,479	223	26	364	94

	Apr. '63 to July '63.	Mar. '64 to June '64.	Mar. '65 to June '65.	July '63 to Sept. '63.	June '64 to Sep. '64.	June '65 to Sep. '65.
Pennsylvania..... bbls	62,090	38,765	19,453	22,451	34,322	27,790
New York.....	25,261	38,477	6,900	3,143	719	1,480
Maryland.....	6,347	12,266	7,246	6,815	3,607	2,160
Massachusetts.....	4,976	5,746	.....	726	483	33
Ohio.....	3,584	924	1,094	476	...	123
Indiana.....	76	182	.....	10	.....	.....
Illino's.....	1,477	.....	.....	792	.....	.....
To other points.....	540	34	.....	25	18	.....

Total Distribution of Crude.

	1862-3.	1863-4.	1864-5.
To Eastern markets.....	288,059	214,819	166,917
To Western markets.....	12,418	5,571	2,304
Totals.....	300,477	220,390	169,221

INTERNAL REVENUE DECISIONS—LICENSES AND SPECIAL TAXES.

The following, issued by the Commissioners of Internal Revenue, explains some of the changes made in the Internal Revenue Law by the last Congress with regard to licenses .

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE, }
WASHINGTON, July 31, 1866.

Attention is hereby called to the changes made in the internal revenue laws relating to licenses, by the act of July 13, 1866, which act goes into effect, so far as special taxes provided for in said act are concerned, on the 1st of August, 1866.

Licenses are abolished, and a " special tax " is substituted therefor.
By the provisions of section 80, it becomes the duty of assessors to reassess any person, firm, or company holding license, for any excess of the special tax substituted therefor over the license tax which has been paid, from the 1st day of August, 1866, ratably, up to the 1st day of May, 1867.

Under these provisions, persons having a license as wholesale dealers in liquor, brewers, distillers, and proprietors of gift enterprises, will be liable to reassessment from the 1st day of August, 1866. Every wholesale dealer in liquors, for instance, who has paid out \$50 for his license, will be immediately liable to reassessment for the nine months ending May 1, 1867, the amount of reassessment being \$37.50.

A special tax is to be assessed from the same date against distillers of burning fluid and camphene, grinders of coffee and spices, and peddlers of liquors. Peddlers travelling by public conveyances are classed as peddlers of the Fourth Class. Persons whose business it is to manufacture cigars, snuff, or tobacco, in any form, should be immediately assessed a special tax as tobaccoists; but where such persons now hold license as manufacturers, they will not be subject to the special tax until the expiration of their present licenses as manufacturers, unless they are engaged at the same time in the manufacture of other articles, in such manner as to be liable to special tax, both as manufacturers and tobaccoists. But no special tax is imposed upon journeymen employed in cigar manufactory.

Persons now licensed as tobaccoists should be assessed a special tax as wholesale dealers when their sales exceed \$25,000.

Any person who is engaged in the manufacture or preparation for sale of any articles or compounds, or who puts up for sale in packages, with his name or trade-mark thereon, any articles or compounds, is liable, under the new law, to special tax as a manufacturer.

Producers of ornamental and fruit trees and charcoal, selling the same at wholesale, by them-

selves or authorized agents, at places other than the place of production, are exempt from special tax in respect thereof.

All boats, barges, and flats not used for carrying passengers, not propelled by steam or sails, which are floated or towed by tugboats or horses, and used exclusively for carrying coal, oil, minerals, or agricultural products to market, will be assessable under the new law, with an annual special tax from and after the expiration of the time covered by their present carmen's fees and tonnage duties, in lieu of such fees and duties. Such boats of a capacity exceeding 25 tons, and not exceeding 100 tons, will be subject to a special tax of \$5, and when exceeding 100 tons, to a special tax of \$10, said tax to be assessed and collected as other special taxes provided for in the act. The above special tax on boats, barges, and flats does not however, affect the liability of the proprietors to special tax as express carriers or agents when doing business as described in paragraph 50 of section 79 of the act of June 30, 1864, as amended in the act of July 13, 1866.

Wholesale dealers are required, as soon as the amount of their sales within the year exceed \$50,000, to make monthly return of sales to the assistant assessor, and pay the tax on sales monthly, as other monthly taxes are paid; and in estimating the amount of sales, any sales made by or through another wholesale dealer, need not again be estimated and included by the party for whom the sale was made. Wholesale dealers, now holding license, based on a certain amount of sales, will be liable to make monthly returns of sales as soon as their sales exceed the amount named in the license; wholesale dealers in liquor, as soon as their sales shall reach an amount which is less than the basis of their license by the sum of \$37,500.

The bond required of lottery dealers is further conditioned, by the new law, that the dealer will pay the tax imposed by law on the gross receipts of his sales, and the managers of a lottery, now or hereafter existing, can give the bond required.

Cattle brokers should be assessed on the excess of sales over \$10,000, in the same manner as of wholesale dealers.

Under the new law, "every person (other than one having paid the special tax as a commercial broker, or cattle broker, or wholesale dealer, or retail dealer, or peddler;) whose occupation is to buy or sell agricultural or farm products, and whose annual sales do not exceed \$10,000, is to be regarded a produce broker."

The payment of a special tax of a hotel-keeper permits the person so keeping a hotel, &c., to furnish the necessary food for the animals of travellers or sojourners, without the payment of an additional special tax as a livery-stable keeper.

Lawyers, who have paid a special tax as such, are exempted under paragraph 25 from paying this special tax as real estate agents.

If the annual receipt of an insurance agent shall not exceed \$100, a special tax of \$5 only is imposed under the new law; and the paragraph relative to insurance brokers is omitted. No special tax is imposed by the new law for selling tickets or contracts of insurance as a net injury to persons while traveling.

Apothecaries, who have paid the special tax as such, are not required by the law to pay the tax as retail dealers in liquor, in consequence of selling or of dispensing upon physicians' prescriptions the wines and spirits official in the United States or other national pharmacopoeias, in quantities not exceeding half a pint of either at one time, nor exceeding in aggregate cost value the sum of \$30 per annum.

No special tax is required of a common carrier by the new law, where the gross receipts do not exceed the sum of \$1,000 per annum. Draymen and teamsters owning only one dray or team will not be liable to this tax.

By proviso to section 47 of the act of July 13, 1866, brewers are exempted from special tax as wholesale dealers, when selling at wholesale, even at a place other than their breweries, malt liquors manufactured by them.

Manual-labor schools and colleges are exempt from special tax, as manufacturers, where the proceeds of the labor of such institutions are applied exclusively to the support and maintenance of such institutions (section 18).

There is no provision in the new law for refunding license taxes where they exceed the special taxes provided for by said law in respect to the same business.

No person doing a business requiring payment of special tax under the new law should be assessed therefor if he now holds a license covering a business of the same nature, unless the special tax provided for exceeds the license tax, in which case the difference of tax should be assessed immediately.

Receipts for special taxes will be furnished from this office. No more licenses will be furnished. With slight alteration, receipts for special taxes may be used as receipts for license taxes assessed under former laws.

R. A. KOLATA.

THE BOOK TRADE.

Taxation in the United Kingdom: Its Levy and Expenditure, past and present; being an enquiry into our [British] Financial Policy. By SIR MORTON PETO, BART, New York, D. APPLETON & Co., Publishers.

Sir Morton Peto appears to be a writer of some claim to rank as an expositor of finance. Not only has he aspired to treat learnedly the entire American policy, but, freshly nibbling his pen, he plunges deep into the abstrusenesses of British taxation, as though to bring up pearls of great price from those waters. Being

an admirer of Sir Robert Peel, he cannot extol too highly the transcendent beauties of free trade. It has created a greater demand for manufactured goods, raising the price of labor, and enabling the operatives to procure many articles for consumption which were before inaccessible. This has increased again the volume of imports, and enabled the Government to derive from them a revenue greatly exceeding the amount obtained under the protective system. Thus, in 1841, there were 1,162 articles paying duty at the Custom Houses, and the revenue from them was £21,848,845 ; whereas, in 1862, when the number had been reduced to 44, the revenue was £24 036 000. The extension of commerce effected by the remission of duties afforded additional employment to the people, and the exports increased from £51,545,616, in 1841, to £135,842,000. in 1860.

“Free Trade” in the British nomenclature evidently signifies the exemption of broadstuffs and necessities from taxation, and the levying of duties on specific articles of import to such an extent as can be borne without checking their use or leading to contraband trade. The idea of abolishing Custom Houses does not appear to have any connection whatever with “British Free Trade.”

But the burden upon the British nation, instead of diminishing with their increased prosperity, has actually increased from £48,000 000, in 1841, to £72,000 000, and has become also more offensive. The income tax appears to have been the most unacceptable, inflicting trouble, vexation, annoyance, and offering an overwhelming temptation to evasion, falsehood, and even perjury. “In short, it may be said to have injured the moral sense of the people who view offenses against the revenue lightly, and are even disposed to espouse the cause of those who defraud the State.”

Meanwhile, there has been no reduction of the national debt. In 1860, there fell in those terminable annuities to which the people had looked as affording opportunity to begin ; but they were absorbed in expenditure without effecting any saving to the country, and have only furnished a pretext for the addition of millions to the national debt since 1842. The expenditure has increased from fifty to seventy millions of pounds—\$100,000,000 in gold.

This is “a war expenditure” increased for maintaining a war establishment in time of peace. Such being the fact, it would be necessary, in case war should actually occur, to borrow money and impose new burthens on the nation to pay off the interest. But permanent burthens involve taxes which fall on trade and industry, jeopardising the former and fettering the latter. “Up to a certain point such taxes may be borne, but they may go too far, as the case of Holland has exemplified.”

To make a revenue which shall be sufficient for the wants of a nation there must be, first : measures which can effect such an improvement in the condition of the people as will enable them to increase their consumption of taxed commodities ; second, such improvements in taxation as to lighten its burthen on the people ; and third, retrenchment of expenditures. Accordingly, Sir Morton proceeds in due order to analyse the several modes of taxation employed in Great Britain, and their specific operation. Beginning with customs' duties, he shows by the example of tea how a rate of duty has been made prejudicial to commerce ; and by that of tobacco how the rate of duty is prejudicial to revenue. The cost of tea in China does not exceed seven pence halfpenny a pound. The

British duty is 200 per cent upon the cost and 100 per cent on the average price in London.

In New York, tea costing, after payment of duty, 78 cents a pound is currency, and affording the importer a profit of 12 cents, yields to the broker and retailer the additional sum of 60 cents. So sensitive is this article that diminution of the duty in England in 1746 to one-half, actually tripled the importation; and a further reduction in 1784 doubled it; whereas a slight increase at a subsequent period only led to smuggling and adulteration. The tobacco duty has served to direct the bulk of the trade into the hands of the smugglers. The free cost is about fourpence-halfpenny a pound, and the duty 3s. 1½d.; and five sixth of convictions for smuggling were in the matter of tobacco.

Some years ago a reciprocity treaty was made between Great Britain and France. For a century and a half the protective policy had ruled, to the detriment of revenue, and of manufacturing and commercial policy. Of so little practical use was it, that English watchmakers actually suffered from competition with smuggled watches. When the duties came to be reduced, while imports from France were largely increased, more than three times the former amount of British manufactures found a market annually in that country.

The income tax was imposed in 1842—9d. in the pound on incomes of £150 a year, and 6d. on those between £150 and £100. Sir Robert had great misgivings about this impost, acknowledging that it was "unpopular," "obnoxious," "inquisitorial," and justifiable only when required by a political necessity of magnitude. It has never met expectations, always producing less revenue than had been estimated, or than ought to have been produced. Indeed, it effects a depreciation of property, being in itself a confiscation of property.

The reduction of postage, with all its benefits, has been a serious detriment to the revenue; having fallen from £1,659,510 in 1838 to £500,789 in 1849, and being only £1,525,311 in 1861. Indeed, the net revenue was only £576,031. The expenses of the postoffice department have increased under the new system.

The best efforts of English statesmen have been put forth to relieve trade and industry from the operation of the old excise duties. The result of these duties had been inferiority in articles of manufacture, and consequent loss of markets. The duty on glass was first repealed with striking advantage, as the exhibition at the international exhibitions evinced. The auction duties were next repealed. They had come to produce little revenue from being constantly evaded. Then followed the repeal of the duty on bricks, then on soap, with manifest advantages. The impost on paper, and that on hops have since been taken off, but at a period too recent to state results. Experience has shown that excise duties may be so applied as to be the most baneful and obnoxious of all taxes. The spirit and malt taxes still continue. A tax is also laid on railway passengers, which proves easy to levy—indeed, too easy. Licenses on carriages are still in force. About £1,500,000 is yearly realized from licenses to carry on a trade. The principle is a vicious one.

The assessed taxes are among those most cheerfully paid and most readily collected. The articles assessed are servants, carriages, horses, dogs, horse dealers, hairpowder and armorial bearings. The rates were reduced in 1853, without at all diminishing the aggregate of revenue. The house tax was substituted in 1857 for the window tax, with marked advantage. The land-tax, first imposed in 1688, at four shillings in the pound, has been continued, under various enactments, till the present time, without material change in the aggregate, although the rate has been only nominal.

The stamp duties were borrowed from Holland; they have also undergone great modifications. At present the sugar duty is the most productive.

The attempt has been made to prohibit the payment of officers from the revenues for collecting them. It has not yet succeeded, as the following table for 1861 shows:

	Gross receipts.	Payment to Exchequer.	Difference.
Customs	£28,457,513	£22,765,338	£5,692,175
Excise	20,133,909	17,266,586	2,867,403
Stamps	8,626,014	8,307,297	318,727
Taxes	3,148,754	2,937,578	211,181
Income tax	11,158,888	9,687,750	1,471,138
Post-offices	3,528,427	6,351,669	2,823,242
Crown lands	417,440	293,479	123,961
Total	£70,671,620	£62,599,632	£8,071,988

Sir Morton devotes the second section of his book to the subject of expenditure. In 1792 the total annual expenditure of the United Kingdom was £19,259,123, of which £9,767,333 was applied to interest on the national debt, £2,421,641 to redemption of that debt, and £7,070,109 for public expenditure—an amount which was then considered excessive. The war increased it to £61,329,179 in 1801, and it ran up to £106,832,260 in 1814. Since that time the amount has been reduced to £49,169,552 in 1840. It was increased by the Crimean War to £84,505,788 in 1855, and on the restoration of peace it has not been reduced to the old peace-footing by £66,120,092 in 1861. The army in 1862 cost £15,302,870; the navy, £12,608,042 in 1861; miscellaneous expenditures in 1862, £7,848,297; while the interest on the national debt, in consequence of the falling-in of the terminable annuities, fell to £26,000,000. During the last half century, though the nation has wonderfully increased in wealth, there has been no well-directed effort to reduce the debt. Yet a century ago, when the debt was but a tithe of its present amount—£80,000,000—Bolingbroke deprecated its existence as reflecting on the dignity of the nation, and Hume as threatening its very existence. Yet even now Sir Morton is of opinion that it could be reduced, if necessity required. Why no reduction has been made, he considers attributable to the following causes:

1 In the fact the levy of taxation, in consequence of the war, had become so burdensome upon the people and so restrictive upon trade as to make it a primary necessity to reduce its amount and improve its character.

2 In the fact that the expenditure of the nation has at no time been reduced within such limits as would leave a fair proportion of revenue applicable to the object.

In future wars, the struggle must be more costly than on any previous occasion. The entire burden cannot be obtained in the form of a levy of taxation, but must be raised by an addition to the debt. That debt, being now £800,000,000, is in the way of success. There must be a limit somewhere to taxation. If a war should be commenced and the present debt run up with rapidity till the taxation necessary to defray the the interest and expenses is a burden upon the trade and industry of the nation, either the country will be obliged to conclude a disadvantageous peace, or the people and nation will be reduced to a state of the most direful distress.

The fact is, that of late years finance has not been treated in Great Britain as "a great policy." Taxation has been levied to suit temporary exigencies; no principle has been applied to its levy or its expenditure, but everything has been adapted to party objects and temporary requirements. Since 1848, Parliament has exercised very little control over the public expenditure. Estimates are submitted by the Government, and the amount demanded is voted in a lump, without apparently the smallest knowledge of the way in which the money is to be applied, as though all that was necessary was to provide the amount. An immense amount of the revenue and expenditure is wasted for want of well-considered plans.

The unavoidable inference from Sir Morton's statements is, that the British nation is hastening to decay; and without a change in its policy, must speedily become incapable of arresting its own destruction. At the same time, the legislators of America, those of Congress and of the several States, will do well to consider whether they are not carrying their taxing power too far for the continuation of the prosperity of our own people. There is a limit, beyond which ruin is inevitable, and, as he suggests, we may be nearer to it than we imagine.

Resources and Prospects of America: Ascertained during a visit to the States in the Autumn of 1865. By Sir MORTON PETO, Bart., M. P. for Bristol. New York: Alexander Strahan & Co., 1866.

Sir Morton Peto declares his object in his work on America to be to afford his British countrymen an opportunity of forming a more correct judgment of the progress, means, and probable future of the great nation on the other side of the Atlantic. He has drawn liberally on the American Census of 1860 for his material; freely criticising and differing from the conclusions there propounded, and loses no opportunity to show that what is required for the further development of prosperity this side of the Atlantic is free trade. While the Superintendent of the Census appears to doubt whether the Western States are capable of supplying the steadily increasing home demand for breadstuffs, as well as having a surplus to export, Sir Morton believes that they will always have quite a surplus. He shows this by an argument, based upon the fact, as he states it, that the price in the dearest market must rule in other markets, and hence infers that the European prices will be such as to enable those States to produce wheat at a profit, which the simple demand at home would not afford them. He then argues ingeniously for giving them abundant facility of communication to those markets—the lowest remunerative price for carriage, and the absolute certainty of speedy transportation—which would, he declares, enable them to grow wheat at a profit, and so stimulate production as practically to ensure an unlimited supply. Doubtless the Atlantic and Great Western Railway will, in his estimation, ensure such facility.

Sir Morton next gives a full summary of the products of this country, manufactures, mines, coal, petroleum, &c., after which, he takes up American shipping. He speaks admiringly of the facilities for navigation afforded by our harbors, rivers, and lakes, and then reminds his readers that, during the Napoleonic wars, our tonnage rose to 850,000. "If America had not gone to war with Great Britain in 1812," he says, with secret exultation, "it is probable that she would have retained, to this day, her great ascendancy in general commerce. But she lost the great opportunity by inviting war, and has never recovered it. Our navy swept their commerce from the seas; and, two years after the outbreak of this war, the Americans had only 59,700 tons of shipping engaged in foreign trade instead of the 1,100,000 tons employed seven years previously."

Is Sir Morton aware that Americans are vividly awake to the fact that vessels built in British ports with the full knowledge of the Government, if not with its consent, "swept their commerce from the seas within two years after the outbreak of the civil war?" He alludes to the transfers made by American shipowners of their property to avoid captures, with an amusing appearance of unconsciousness; and again takes opportunity to show that our failure to advance

our foreign trade is owing to the restrictions and limitations placed on American shipping.

Nevertheless, Sir Morton is our friend, although he sees with English eyes, and he takes favorable views when he can. He is, evidently, as much gratified with our prosperity as if it was that of his own country. In his review of our commerce, he declares his entire conviction of our certain prosperity. He notes that our trade has been regularly and steadily progressive, and that the nation has uniformly paid its way—the exports in almost every year having exceeded the imports. Even with the increased export of gold, every other native product increased in proportion from year to year. Many unsophisticated persons will be surprised to learn that our imports do not principally consist of articles of luxury. “It cannot be said that articles of luxury enter largely into the count of American importations. Silk dresses and furniture appear to be the two items most largely in demand. But no jewelry is found in the list of imports, and very little plate.”

But the export and import trade of the United States is nothing in comparison with her internal trade. The extent of territory implies great diversity of productions, and the exchange of these makes an inland trade almost as various as that of Great Britain with her colonies. Sir Morton considers that the inland navigation is very inadequate to the wants of the people, and that but for the railroads the producing districts would be at a stand still for want of means of transportation.

A chapter is devoted to trade with the British Provinces. The Commercial Convention at Detroit, which is by us regarded as almost a failure, is his principal reliance in relation to our public sentiment. He reviews the Reciprocity Treaty, taking the same views substantially that have been taken in these columns, and ably controverting the declarations of Mr. Morrill, of Vermont.

Upon the railway system and management, where Sir Morton is at home, his views are entitled to more careful consideration. He criticises very justly the imperfect construction of the roads, the miserable stations, &c., and the fact that the lines were made without regard to any general system of communication for the country. The accommodations do not meet the wants of the nation. He remarks the hostility of the South to railroads. While the Northern States are covered with lines, the Southern have only a few main trunk roads, the greatest care having been taken to prevent those lines from communicating with the free States. “It will be necessary to correct all this.” From West to East the present facilities are quite insufficient, and no time should be lost in making additional provisions. Railway facilities are the measure of the prosperity of the country. But there must be a large liberal progressive policy. The American public ought never to be satisfied till they are able to calculate on fixed moderate prices for freight, and fixed periods for the delivery. Sir Morton very justly questions the propriety of express companies officered by railway managers, and carrying for high prices, when the profit ought to go to the owners of the lines.

The 7th section is devoted to the South. After contrasting the disproportion to the North, owing to the failure to develop the resources, he gives his opinion that the South will henceforth prosper much better under the system of free labor. The Northern States have declined to hold her as conquered territory, but acknowledge her place in the common nationality; and nothing is wanted but the stimulant of free institutions. “Within five years from the present time the cotton production of America will be doubled, and the consumers of the world will have the article at a less price [?] than they ever had it before.” With facilities for bringing to market the breadstuffs of the North, and the restoration and increase of the product of the cotton plant in the South, “not only will America bear with even all the burden of her debt and pay it, but she will immediately commence a career of commercial prosperity unexampled in the experience of nations.”

Recent British Philosophy: a Review with Criticisms, including some comments on Mr. Mill's answer to Sir William Hamilton. By DAVID MASSON. New York: D. APPLETON & Company, 1866.

German scholars are said to have a species of mania for translating Faust; American divines seem to be fond of combating "Rationalism;" and English lecturers take every opportunity to write and talk about metaphysics. Yet they are born to waste much of their sweetness on a very desert air, partly from the aridity of their subject, but chiefly because the reader and reviewer must first learn their specific technology before attempting to learn or set forth their ideas. Mr. Masson will hardly escape. His fault, however, consists less in the diction which he uses than in the profusion of words with which he dilutes his thoughts. Yet, those interested in such questions will read him with interest. After a cursory view of the Empirical and Transcendental systems and a notice of the writers who taught them, he devotes the great part of his work to Sir William Hamilton and John Stuart Mill.

Sir William, he declares, was a Theist, a Supernaturalist—no philosopher of modern times more strenuously, more passionately so. He venerated Hume as a good man and a great philosopher, and entertained little respect for the clergy, yet, at the same time, had a special admiration of Calvin, and a profound interest in the old theologians, from Tertullian downward. He held in the existence of Truth beyond what appeared to the senses—phenomenal existence. "The sphere of our belief," said he, "is much more extensive than the sphere of our knowledge; and, therefore, while I deny that the infinite can by us be known, I am far from denying that by us it is, must, and ought to be *believed*." Yet he positively declared that it was impossible to speculate about the Absolute. Sir William holds that the central fact of the phenomenal of dualism or antithesis of two series of phenomena, given immediately in consciousness—the one constituting the ego or mind, and the other, the external world or matter. But here Mr. Mill takes issue. He holds that the radical fact of the phenomenal is not a dualism at all, but simply a stream, a flow, a succession of feelings, sensations, or states of consciousness. All knowledge, all belief, all known existence has been generated out of this succession of sensations, or states of consciousness. Hence, after some further illustrations, Mr. Masson concludes that *Transcendental Natural Realism* in Hamilton, announcing itself as anti-ontological, but with strong theological sympathies, and *Empirical Constructive Idealism* in Mill, also announcing itself as anti-ontological, but consenting to leave the main theological questions open on certain pretty strict conditions, were the two Angels that have for thirty years contended for the soul of Britain.

The remaining three chapters of the book are devoted to further demonstrations of the author's positions, and notices of other metaphysical writers. He, however, does little more than exhibit them; taking no pains to show any inaccuracy or proper conclusions.

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THE MERCHANTS' MAGAZINE

AND COMMERCIAL REVIEW.

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**OCTOBER, 1866.**  
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MINES AND MANUFACTURES IN THE MISSISSIPPI VALLEY.

BY J. A. BLAKE.

A trip through some of the leading mining States of the west for the purpose chiefly of recording developments already made, but secondarily of pointing out new fields of promise, has led us at the termination of our travels to combine in one article a review of mining statistics, and from their connection with and almost absolute control of another branch of industry to point out and urge both the facilities and necessities for manufactures in the Mississippi Valley. If we succeed in showing where the chief workable minerals are, how they may be mined and what the profits shall be, what the natural elements of successful manufacturing are, how widely they exist, and what markets they may control, we shall have accomplished our object. The chief mining States of the Mississippi Valley are Missouri, Illinois and Iowa.

Missouri has a total area of 67,380 square miles, making her nine times as large as Massachusetts and one-third larger than New York. This vast area is divided into 114 organized counties, in 80 of which valuable minerals have already been found for the most part in workable and often in inexhaustible quantities. In the absence of any regular scientific survey we are left in doubt whether there is not even better mining territory in the enormous area yet unexplored. Thirty-one valuable minerals have been found. The enumeration is as follows beginning with the most important and extensive; iron, coal, lead, zinc, copper, platina, kaoline, hydraulic cement, nickel, cobalt, metallic paints, emery, plumbago, silver, gold, salt, sulphur, petroleum, silica, granite, marble, fire-clay, fire rock, chalcedony, agate, jasper, alabaster, pipe-clay, saltpetre, maganese and tin

The iron ore deposits of Missouri comprise the famous Iron Mountain which with a height of 228 feet and an area at its base of 500 acres it is thought will give for every foot from summit to base an average of 3,000,000 tons of ore; Pilot Knob whose height is 1,118 feet is known to be solid iron to 440 feet below the surface where the base has an area of over 200 miles; and Shepherd Mountain, 660 feet high, a mass of the purest magnetic and specular iron ore. Iron ore has also been found in 26 counties, comprising Butler, Camden, Carter, Christian, Cooper, Crawford, Dade, Dent, Franklin, Greene, Henry, Hickory, Iron, Jasper, Knox, Lafayette, Madison, Maries, Mercer, Miller, Moniteau, Osage, Perry, Pettis, Phelps, Polk, Pulaski, Reynolds, Ripley, St. Clair, St. Francois, Scott, Shannon, Stoddard, Stone and Webster. It has been chiefly worked in Iron, St. Francois and Reynolds counties where the deposits are the largest and among the purest in the world. These three counties are computed to contain enough iron to afford for 200 years an annual supply of 1,000,000 tons. The ore is mostly specular, yields 56 per cent. of pure iron, the product of which is strong, tough and fibrous.

The coal measures in Missouri have been discovered in upwards of 40 counties, lying chiefly along the Missouri and Osage rivers. The most extensive and valuable deposits are in Andrew, Atchison, Buchanan, Holt, Platte, Charlton, Linn, Livingston and Macon counties, which contain about 3,500 square miles of coal lands which average it is said a mean thickness of 11 feet. Prof. Swallow's computation makes out 33,000,000,000 tons of coal in these nine counties. St. Louis county contains 160 square miles of coal territory. The coal strata in Boone and Cooper counties are very rich and extensive. A prominent writer argues that there is enough coal in the State of Missouri to last 3,000 years of 300 working days each if an average of 100,000 tons were mined per day.

The area of lead bearing rocks in Missouri is said to be over 6,000 square miles. They have been found in 38 counties and in more than 500 different localities. The chief deposits are found in Washington, Madison, Jefferson, St. Francois, Franklin, Crawford, Newton and Jasper counties. It is estimated that the mines in Washington, Madison and Jefferson counties alone have since 1840, yielded 100,000,000 pounds. The mines are generally shallow, varying from 10 to 75 feet. The ore is mostly sulphuret and contains from 60 to 85 per cent. of pure lead. Some specimens from Mine la Motte contained 84.50 per cent pure lead and 13.50 per cent. sulphur, a very fine yield considering that perfectly pure galena contains but 86.66 per cent. of lead and 13.34 of sulphur. A lead mining company in Washington county, operating 100 drills and keeping 10 furnaces in blast were rewarded with a net profit of \$369,253 from their last years work.

Copper has been found in 18 counties in Missouri. The best deposits lie along the Meramec Valley in Franklin and Crawford counties, and in Greene County on the unfinished Southwest branch of the Pacific Railroad. The deposits generally lie near the surface, are several feet thick, are in quality sulphuret or carbonate, and yield from 42 to 50 per cent. of pure copper. The Stanton mines in Franklin County have produced ore that by analysis contained 48.41 per cent. of pure copper. A very promising copper region has been traced along the headwaters of Current, Black and St. Francois rivers, chiefly in Shannon, Wayne and Madison counties. The Copper Hill mine has yielded 100,000 pounds.

The specimens of zinc discovered and analyzed in Jackson, Madison and Washington counties, of kaoline in Bollinger and Iron counties; of petroleum in Carroll, Cass, Ray and St. Charles; of nickel in Iron and Madison; of alabaster in Washington and Franklin; of fire-clay in Marion and Bollinger; of saltpetre in Pulaski and Gasconade; of silver and gold in Washington, Madison and Iron; of platina in Iron; cobalt in Washington; pipe-clay in Marion, and emery in Iron counties, warrant the assertion that many if not all of these minerals exist in great purity if not in paying quantities.

Illinois has an area of 55,409 square miles, nearly as large as all New England. She is the richest agricultural State in the Union, and yet one-fifth of her entire area is mineral territory. Coal, lead, gypsum, silver, gold, petroleum, iron, salt, copper, zinc, freestone, lime and silver have been found. We have in a former communication spoken at length of the location, extent and quality of these minerals. It will be sufficient for the purposes of this communication to present a few statistics. The Illinois coal field is estimated by Prof. H. D. Rogers to contain 1,277,500,000,000 tons. The Pennsylvania coal field contains 316,400,000,000 tons. All the coal fields of North America, 4,000,000,000,000 tons. The coal fields of Great Britain contain 190,000,000,000 tons. The Illinois coal measures, then, contain four times as much coal as those of Pennsylvania, nearly one-third as much as all those of North America, and over six times as much as all the coal fields of Great Britain. It will take 100,000 years to exhaust them. The prominent seams are the Belleville and La Salle, occupying the southern and middle parts of the State. Mining is now chiefly carried on in St. Clair, Madison, Randolph and La Salle counties. The present annual product of the entire State is about 1,500,000 tons. St. Louis, Chicago, the markets of the Upper Mississippi, and the home consumption are supplied mainly or in part by Illinois coal. Last year Southern Illinois sent 10,000,000 bushels of coal to St. Louis markets, of which the St. Louis, Alton and Terre Haute carried 6,000,000, and the Ohio and Mississippi road 4,000,000 bushels.

There are three staples in which Illinois is singularly "strong." We mean wheat, coal and lead. If she is not first in the former, she certainly is in the latter. For 20 years the entire lead product of the country has come from the famous Galena mines in Jo Davies' County, which, with judicious and regular working, would have been not only amply sufficient to shut off any foreign demand, but even to create a foreign market. A few mines circling Galena have supplied and smelted 15,000,000 pounds a year. The great Galena lead district occupies a portion of three States, extending East and West 87 miles, and North to South 54 miles. This belt includes 62 townships in northwestern Wisconsin, 8 in eastern Iowa, and 10 in northern Illinois. The portion included in Wisconsin and Illinois is directly accessible to Galena, and is called the "Galena Mines." This district has an area of 1,000,000 acres. The ore has been struck in every direction all over this great field. The lead is found in horizontal veins, varying from half an inch to ten inches in thickness. It is sometimes found in solid masses of great weight. The average of pure lead in the ore is about 70 per cent.

Iron has not been extensively worked in Illinois, though it exists in workable quantities. It abounds in the northern part of the State. In

Hardin County, on the Ohio, large deposits have been found. Several furnaces are in operation. In Monroe and Randolph there are said to be extensive deposits of iron ore. About four miles north of Jonesboro, in Union County, and two and a half miles west of the Illinois Central Railroad, there is a ridge rising abruptly to the height of 200 feet, called Lee Mountain. The base of the hill, for 50 feet or more, consists of fossiliferous shale intermixed with masses of hematite iron ore.

The best qualities of silex for glass manufacture are found in Alexander and Pulaski counties; salt in Hardin, Saline, Effingham and Pope counties; petroleum in Clark, Livingston and La Salle; copper in Monroe, Fulton, Rock Island and Jo Daviess; crystalized gypsum in St. Clair; quartz crystal in Gallatin; gold in Jo Daviess and Fulton; and Silver in Stearns county.

Iowa has a total area of 55,045 square miles, nearly the size of Illinois. Her area has not been ascertained. The State has not seen fit to order a geological survey. But from what appears on the surface of the country merely, is sufficient evidence of very great mineral wealth. Lead, coal, copper, hydraulic limestone, and iron have been found. Her coal field is very extensive throughout the valley of the Des Moines. Lead is abundant in the North east; copper along the river opposite Jo Daviess county, Illinois; and hydraulic limestone in several of the central counties in the valley of the Des Moines.

We wish in the light of facts now presented, to argue the advantage that these rich mineral areas afford for manufactures. Were coal a prime necessity for all classes of manufactures it could not have been more lavishly supplied than in the great coal fields of Southern Illinois which with rail and water facilities the very best, can easily and cheaply supply the upper and lower Mississippi and their tributaries reaching to points central in all the states of the valley. The English processes of cooking already being used in this country will make the Illinois coal excellent for all kinds of iron manufacture, and its nearness to the great Iron region of Missouri, Illinois, and Iowa render it easily available, so that no place possible could be better adapted for extensive and economical manufactures than the very mines where these rich metals are found. Is there any reason why capitalists should not swarm to the Iron Mountain regions of Missouri and make every acre a net work of forges, furnaces, rolling mills and rail factories. There is the best iron that manufactures have yet found, except perhaps the Lake Superior, and further developments may bring out still richer deposits. There is your Belleville coal seam, exhaustless, only a few miles away, with railroads stretching from mine to mine. There are the lead, copper and zinc ore very valuable deposits of which are found singularly enough right within the circuit of the Missouri coal measures. Is there not a market for manufactured commodities? The great Mississippi Valley from source to mouth, the valley of the Missouri, the new mining States of the far West and the whole Pacific coast is urging such an enterprise. The great expense of all classes of manufactured goods in the West is caused by the long and difficult transportation from the East. There is no reason why Missouri should not become as essentially a manufacturing State as Pennsylvania. We mean not merely in the important field of iron, steel, and hardware manufacture, but her valleys abound with streams for water power and

her liabilities with coal for steam power for all possible qualities to any possible extent of any conceivable kind of usual manufacture. St. Louis is the great distributing centre for all the West and South West. Why should she not become the great manufacturing centre too and not be put to the questionable profit of retailing to the markets she controls, Pittsburg and Cincinnati, iron, steel and glass wares made from minerals that she herself furnished? Southern Illinois is taking strides in cotton and tobacco growing. Should they not form the basis for abundant water and steam manufactures. Should not the great Galena lead district be a net work of rail lines to the La Salle coal measures, and all her rich acres, be honey-combed with mines circled on every side with smelting furnaces. Has not all this field lines of quick transit for their commodities and marketable demands at home and abroad? Thread the Des Moines river with furnaces, factories, and mills from source to mouth and what the mines do not contribute the wood lands and prairies will, to vast and profitable manufactures. There are coal measures rich and exhaustless traversing Missouri, east and west, extending by double lines from the Breckenridge and Grayson coal measures in Kentucky through all central and southern Illinois and onward through the great valley of the Des Moines. There are vast beds of iron ore, lead, copper, zinc, woodlands of oak, elm and ash and vast prairie lands of the best grain and cereal products. There is fuel enough to convert all these ore deposits into hardware, the forests into wooden ware, and the wheat fields into flour, if there were a hundred mines and a thousand miners for every square mile of coal, a continuity of furnaces and rolling mills along every vein of iron, lead or copper ore, factories and saw mills for every cluster of oaks, ash, and elms, and a flouring mill to every acre of wheat.

THOUGHTS ON THE CURRENCY.

BY JOHN NESMITH.

Assuming, as I think we may, that a paper currency must be used, the question to be settled by Congress is whether we shall continue the use of legal tender notes, or return to the use of bank promises. In the decision of this question, it may be well to compare the advantages and disadvantages of each, rather than to jump to the conclusion that we *must* return to the old system of using bank issues, and that the only thing to be settled is *when* we shall return.

A good currency, to be established by law as a legal tender or measure of value by any country, should be fixed and unvarying, a given amount of it always representing the same quantity of property, the condition of property remaining the same. To secure such a standard, two things seem to be essential:

First.—The amount in use must remain the same at all times; and

Second.—The standard itself should be unchangeable in value.

That the exchangeable value of a currency increases or diminishes in proportion to the amount in use, will not be disputed. It is also equally evident that when an article of merchandise is made the legal measure of value, it will cease to be used as currency whenever its legal value is below its real value as a product of labor; for it will pass out of the

country as undervaluing it. The difficulty arising from the use of any article of commerce as a standard of value, is simply that we give it an arbitrary value without being able to divest it of its real value as a product of labor. This real value is constantly changing, according to the laws of supply and demand, and is therefore continually unsettling and distorting the movements of the currency. The difficulty arising from this case when gold is taken as a standard value, is greatly modified by the fact that all American and European countries have given to it nearly the same legal value, thus equalizing its arbitrary price over a large part of the commercial world. This does not, however, relieve it from the embarrassment arising from a constant fluctuation in the quantity circulating in the country adopting it as its standard, but rather increases the demand for it as an article of export, making it the first article used in the settlement of balances, whenever an excess of importations has created a balance against the country.

If we must take an article of merchandise as a standard, gold is undoubtedly the best one we can take. But no legislation can prevent it from being among the first articles taken from the country in payment for importations, and thus disturbing the currency. If we make gold the measure of value, and allow banks to circulate as currency their promises to pay, redeemable in gold, the actual currency of the country will be bank promises; and what gold there is in the country will be in bank vaults, there being in circulation at least four dollars in paper for every dollar in gold held by the banks. In the cities, the proportion of gold will be greater; but in the country the proportion will be much less. In large extents of territory, the banks will not hold one dollar in gold to ten dollars of the bills they will have in circulation. With such a currency, it is easy to imagine what a state of things must exist whenever an unusual shipment of gold takes place. And every old merchant has experienced the unpleasant sensation of having bank accommodations withdrawn when his bills receivable were returned protested.

Here lies the radical difficulty in making an article of merchandise the standard of value. No legislation can prevent it from constantly varying in quantity and value as every product of labor necessarily must. The quantity will be ever changing according as it is produced, imported, exported, or used, thus causing the standard to fluctuate with the ever-changing wants of trade. But the matter is still further aggravated when we take this article of merchandise—an article ever passing from country to country, and whose value is ever changing according to the ratio of supply and demand, and use it as the basis upon which to issue paper money, that shall be redeemable in this same article, of uncertain value, thus quadrupling the fluctuations of the currency.

How much of the present value of gold arises from legislation, making it a legal tender, and how much from its intrinsic worth as a product of labor like copper or iron, it may be difficult to estimate. The principal use of gold being for coinage, and its inferior use for ornament and in the arts, there can be no doubt but that a large part of its present value is derived from laws compelling its receipt at fixed and arbitrary rates. Were all these laws repealed in all the countries where they now exist, gold would, of course, fall to its actual worth as an article of commerce; and its very cheapness might prevent its use by the fashionable world as

an ornament. If we estimate this reduction at seventy-five per cent., and it would probably be more than that, then to this extent is its present exchangeable value as much the creation of law as is that of greenbacks. This increase of value, however, does not change the nature of gold as an article of commerce. It is still subject to the laws of supply and demand.

I think it must be admitted that bank promises to pay in gold never have been and never can be a standard of value that shall be unchangeable, remaining the same in quantity and value at all times. They have changed, and they inevitably must change, both in quantity and value, to an extent largely affecting the price of commodities.

Let us now inquire how the legal tender will bear the test. The amount in circulation will be fixed by law, and kept so fixed by legal provisions easily executed. It may, in this way, be continued for years without change. Such a currency will never be disturbed in the least by an excess of importations, for the legal tender, having no value out of the country, it will never be exported either as currency or merchandise. The importer who takes it in payment for goods must invest it in the purchase of gold, wheat, cotton, or some other production of the country, leaving the currency undisturbed by the operation. Its value can vary from what the law has affixed to it as a legal tender.

It may be urged that the facility for increasing this currency is so great that Congress would continue the issue until too great an inflation of prices resulted. But why should Congress do so? The public certainly do not call for an inflation of prices, but rather for contraction. And this contraction can be made more certainly and regularly by reducing the issue of legal tender notes than by returning to a specie standard and allowing the banks to furnish a paper currency. Governments have in times past issued paper money in excess. They have also reduced the metallic standards by alloys until they have become nearly worthless. The one can be done as easily as the other, and has been done as often. In a country ruled by the people, where the interests of all classes require that prices should be kept steady, and where the men chosen to make the laws have, as a class, a greater interest than any other portion of the community to prevent inflation, there certainly can be no fears from this source worthy of a moment's consideration.

What would be thought of the wisdom of Congress were it to pass a law that no yard sticks should be used but such as were made of gold, or such wooden ones as should be put into use by the banks under the promise to exchange them for gold ones on demand, the banks in the mean time drawing interest on the wooden yard sticks valued as gold. Nor would the wisdom of the measure be enhanced when it appeared that the banks would frequently have to call in a large part of the yard sticks issued by them, because they must sell their golden sticks to pay the deposits of importers, thus deranging the business of the country.

As the circulation of the country now stands, the following plan could be carried into effect by the action of Congress without disturbing the business of the community :

Redeem all legal tender notes bearing interest, and reduce the amount of all others in circulation to four hundred millions.

Limit by act of Congress the circulation to that amount for five years ; and authorize the Secretary of the Treasury to keep that amount in circu-

lation by a reissue, or by the purchase and cancellation of United States bonds, paying for them in legal tender notes, whenever the amount in circulation falls below four hundred millions.

If to this amount is added the amount of bills the banks are authorized to issue, we have a possible circulation of seven hundred millions. Under such an arrangement, it is highly probable the bank circulation would soon reach the extent authorized by law, and it would remain steady at that point, as there would be little inducement to return bank bills to exchange for legal tenders. Estimating our population at thirty-six millions, the whole circulation of the country, viz.: seven hundred millions, would give an average of \$19½ to each inhabitant. If we compare this with the circulation of France and Great Britain, it will be found to be much less than either, while we certainly require as large a circulation as those countries. Henry E. Carey estimates the circulation of France to be nearly \$30 per head, and of Great Britain and Ireland, \$25.

In discussing the comparative usefulness of bank notes and greenbacks, it should be borne in mind that there is a radical difference between the paper measure of value established by law, by being made a legal tender to pass as currency, and the paper issued by banks and redeemable in the legal measure of value. The former is not, strictly speaking, a credit. The Government establishing it may or may not promise to redeem it in something else. Whether it does or not, its power of payment remains the same; and its power to purchase will depend entirely on the quantity in circulation as currency in the country adopting it, and out of which it will not pass. The certainty that currency of this nature will not pass out of the country establishing it, is an advantage rather than otherwise. It enables the law-making power establishing it to regulate the quantity so as to make the purchasing power always the same.

The issues of banks, on the other hand, passing as currency, are simply credits given to the corporations by holders of the currency; and their value depends upon the ability of the several corporations issuing them to pay the same in the legal measure of value established by law.

We have now three legal measures of value, gold, silver, and legal tender notes, all varying in their exchangeable worth when used in the purchase of merchandise to the extent at this time of thirty per cent. By the operation of the natural laws of trade, all the business of the country is done in the cheapest currency, and the dearer passes from hand to hand, not as currency, but as merchandise. This state of things has lasted so long that the price of labor and of all kinds of property (except so far as it is effected by the unsettled state of legislation on the currency) has become adapted to the cheaper and more plentiful currency. If we return to the use of the dearer by repealing the laws making greenbacks a legal tender, all the property of the country must fall in value to the extent of at least the difference between the respective values of paper and gold. But experience teaches that such a reduction in the value of property is ever accompanied by extensive failures, decrease of importation, a general embarrassment of business, and a stoppage of manufacturing and mining industry, thus largely lessing the revenue, the same cause also greatly reducing the income tax. This state of things is sure to arise, whether the reduction of the currency to a specie basis is made at once or gradually. If it is made gradually, so as to spread the loss on property over

ears, embarrassment is experienced during all the time, and no wholesome business can be done until the end is reached. If the reduction is made at once, the crash is greater; but the business of the country sooner resumes a stable condition. Under such a state of things as must exist while returning to low prices, how are our loans to be renewed, or even the expenses of the Government met?

When gold is made the basis of our currency, there is nothing to prevent and everything to induce our powerful foreign rivals to break down our manufacturing and mining industry by flooding our markets with metals, manufactures, railroad stocks, United States bonds, all at the same time, and, with the money thus obtained, drawing suddenly from the banks the gold upon which our paper circulation depends, thus forcing a sudden and unexpected contraction of our bank accommodations, such as we had in 1857; and when the pressure and panic which ever accompany such a state of things, were at their height, quietly investing the funds thus obtained in our productions, stocks, and bonds, at prices much below their intrinsic value, making money by the operation, and crippling our industry at the same time. The profitable operation can be repeated from time to time until our miners and manufacturers are entirely discouraged and broken down. We may rest assured that such an opportunity will not be allowed to pass unimproved by our shrewd, money-loving manufacturing, and commercial rivals.

The annual saving of the country by the adoption of the proposed plan, in place of returning to a specie basis, may be estimated as follows:

The interest on four hundred millions used as currency at six per cent. would be twenty-four millions. The interest on two hundred millions of gold now lying unproductive—then liberated and sent abroad as exports—twelve millions. An additional tax on the banks of three millions, which they could well afford to pay, rather than return to specie payments. The interest on the amount which would be saved by paying that portion of the national debt payable in currency, in currency of the same value as that in which it was borrowed, rather than by paying it in one of largely increased value. This portion of the debt being one thousand seven hundred millions, the saving could not be less than five hundred millions.

This makes an aggregate annual saving of sixty-nine millions, otherwise to be taken out of the pockets of the great mass of the people to go into the pockets of the few owners of accumulated capital held in the shape of notes, bonds, and other interest-bearing securities. Those in the receipt of salaries would not be permanently affected either way; for their salaries would be raised to correspond with the prices ruling under the new order of things, as soon as the policy of our Government became fixed. When this policy was determined, they would be benefited quite as much, and perhaps more than by any other class in the country, as they pay their full share of taxes.

The amount of the currency being now fixed so that the present value shall be continued, we shall pay our national debt in a currency worth twenty per cent. more than that in which the loan was contracted. If we return to specie payments, we further increase the value of the currency in which the debt will be paid thirty per cent., so that we shall actually pay our debt in a currency worth fifty per cent. more than that in which it was borrowed, and to this extent we increase our national debt. And, without

any obligation on the part of the Government, this is done to the extent of that part of our debt payable in currency, viz.: one thousand seven hundred millions. Is this wise? Is it doing justly by our already over-taxed people? And who are to reap the benefit of this enormous addition to our indebtedness? The holders of the bonds at home and abroad — these are the people who make the public sentiment which calls for a return to specie payments.

THE BANK OF ENGLAND.

BY MERCATOR.

(Continued from page 116.)

We have now to resume our narrative of the Bank of England, which had not long commenced its career when it became the object of much distrust and unpopularity, and was obliged to strain every nerve to obtain a reasonable amount of business. At first this establishment lent its money at 6 per cent. which was the highest it could charge: but to augment its customers, in 1695, it proposed to discount certain bills as low as 3 per cent, and to advance money on land, plate, and other securities. It was, however, in 1696 that the Bank had to pass through its first ordeal. This occurred during the re-coinage of the silver currency, when the Government was destitute of money and credit, notwithstanding the succor it had so recently received, and threatened to drag the "Old Lady of Threadneedle Street" into the vortex with it. The tallies at this eventful period, which represented the debts due by the Government to the public, had fallen to a discount of 40 per cent. and the notes of the Bank to 20 per cent., which compelled the latter to issue bills of exchange as a substitute for its notes, bearing interest at 6 per cent; and parties owing money to each other were permitted to transfer their accounts for any sum under five (5) pounds. To meet the difficulties of the crisis Mr. Montague, afterwards the accommodating and intriguing Lord Halifax, invented a form of paper money called Exchequer Bills; and as the Bank had even better credit than the Government, it was instrumental in causing them to float.

But while thus serving the State the Bank did not forget their own interests; but applied for a renewal of the charter which had only been three years in existence. It is said that it is an ill-wind that blows nobody good luck, and the misfortunes of the Government having afforded the Banks an opportunity to render, at a critical juncture, important service, the circumstance was highly advantageous to it. By the 8th & 9th William III, it was empowered to increase its capital stock in the *depreciated notes and tallies*, so that these securities, which had been bought at a very great discount, were suddenly raised considerably above par. These and the Bank Stock, with which they were purchased, ascended to 112 per cent. The proportions in which the subscriptions were to be made were four-fifths in tallies and one fifth in Bank Notes at their par value. The interest on the tallies to be fixed at 8 per cent. secured by a duty imposed upon salt. The addition to the capital stock upon this occasion was £1,007,171 10s., making the total £2,201,171 10s.

By this act the charter was prolonged until 1710, and several other

valuable privileges were conferred upon the Bank, one of which was, *that no other similar corporation in the nature of a Bank should be established in the Kingdom.* The Bank had now the field to itself, and rode the high horse—but in 1704 it had to meet a formidable rival in a company called the “Mine adventurers of England,” to which the crown, somewhat ungratefully, and, as the event proved indiscreetly granted a charter.

It is sufficient to show the little reliance which, at a demoralized age, is to be placed in exalted names as a security against fraudulent practices, when we find at the head of the petition soliciting a charter for this wild scheme the signatures of the Duke of Leeds, Earl Bolingbroke, Lord Guilford, and Sir Thomas and Sir Henry Mackworth. This chartered swindle, after having been made the instrument of plundering the public by an organized system of fraud, which surpassed even that of the Royal British Bank, exploded, much to the gratification of its rival, the Bank of England. Parliament, upon an investigation of this case passed a resolution in which it was declared that Sir Humphrey Mackworth, the deputy governor, of whom the late John Sadler appears to have been an humble imitator, was guilty of scandalous frauds and *indirect practices*, in violation of the charter granted to said company, in breach of his trust, and to the manifest wrong and oppression of the proprietors and creditors of the company; and unanimously voted that a bill should be brought in for preventing him and William Shones, the secretary, and Dykes, the treasurer, from leaving the kingdom or absconding their estates. It might be thought that this break-up of a chartered bank, launched under such distinguished patronage, would have rendered the Government more circumspect in future in connecting itself with similar schemes; but far from this being the case, Lord Oxford, in 1711, when he filled the office of Prime Minister, was one of the chief promoters of that scheme which has descended to posterity at the South Sea Bubble. The Bank now having a clear stage, and being no longer obliged to contend with rival establishments, took advantage of the monopoly it possessed. The directors feeling that it was their interest to maintain a good understanding with the parties who managed affairs at Whitehall, always evinced a desire to make things pleasant to the latter upon condition that they themselves should not suffer by affording the accommodation required. We find them, in pursuance of this plan, undertaking to circulate Exchequer Bills for the Government to the extent of 1,500,000 at $4\frac{1}{2}$ per cent. interest; but taking care at the same time to stipulate *that they should remain a corporation until the amount was redeemed.*

In 1708, we observe them still keeping their eyes steadily fixed upon their own interest, and by the following clause introduced into the 7th Anne, Cap. 7, Sec. 61, securing to themselves the *sole privilege* of banking: “During the continuation of the corporation of the Governor and Company of the Bank of England, it shall not be lawful for any body, politic or corporate whatsoever, created or to be created, (other than the said Governor and Company of the Bank of England) or for any parties whatsoever, united or to be united, *in covenants or partnerships, exceeding the number of six persons*, in that part of Great Britain called England, to borrow, owe, or take up any sums of money on their bills, notes payable on demand, *or at any less time than six months from the borrowing thereof.*” This clause laid the foundation of that monopoly which has since, with

little relaxation, been preserved, and which has proved so baneful to a commercial country. We shall, as we proceed further, find another generation of Bank of England directors excusing themselves for their inability to accommodate the commercial classes, in consequence of their want of capital, having lent all their available funds to the Government. We look back with astonishment at a few persons associated together to carry on the business of bankers, under the authority of a charter granted for a limited period, claiming such a monopoly, and feel contempt for the legislation which could concede a privilege so unjust and unsound. The Parliament, however, which passed this law, it should be remembered, was abominably corrupt. Its members were openly bribed by the Minister of the day, and ready to perform any filthy work required of them to earn the wages of sin.

In this year, the advantages obtained by the Bank were more than neutralized by its reverses. There was a threatened invasion of Scotland by the French, in support of the Pretender; and a run directly on the Bank—ever the victim of evil rumors and panics—was the result. We do not believe that the Scottish National Bank, which Wm. Patterson started, was affected in a similar measure, or that the threat of invasion damaged its credit and placed its safety in jeopardy. The Bank of England, more frightened than injured upon this occasion by the alarm of the English people,—which must strike foreigners as a strange and ludicrous spectacle—weathered the storm by the Government allowing interest at the rate of 6 per cent. instead of 3 upon sealed bills, and by a rate of 20 per cent upon the proprietary. Several wealthy Peers, among others the Duke of Marlborough, who owed all he possessed to the exiled Stuarts, came forward at this crisis and offered large sums of money to sustain the Bank, which would argue that the institution enjoyed the good-will of patricians, though it had not enjoyed the confidence of the people.

(To be continued.)

MINERAL PRODUCTIONS OF THE UNITED KINGDOM.

The Mineral Statistics of the United Kingdom for 1865 have been completed by Mr. Robert Hunt, of the Museum of Practical Geology. Sir Roderick Murchison, as director-general of this establishment and the Geological Survey, in his introductory notice, draws attention to the remarkable increase in the production of coal during the past year, and to some tables which, he states, "give a more correct view of the progress of our coal and iron industries than any statement which has hitherto been published." The importance which attaches to everything connected with coal at the present time induces us to commence our notice with it, although the coal returns form Part 2 of the "Mineral Statistics":—

Tons produced.		Tons produced.	
Durham and Northumberland.....	25,182,694	Shropshire	1,155,000
Cumberland.....	1,841,047	Gloucestershire and Somersetshire..	1,525,000
Yorkshire.....	9,375,100	Monmouthshire ..	412,000
Derbyshire.....	4,595,750	South Wales	7,911,400
Nottinghamshire.....	1,025,500	North Wales.....	1,921,000
Leicestershire.....	965,500	Scotland.....	12,600,000
Warwickshire.....	850,000	Ireland.....	121,000
Staffordshire and Worcestershire...	12,200,469		
Lancashire	11,967,000	Total produce of the U. Kingdom..	28,150,500
Cheshire	850,000		

This gives an increase of 5,362,709 tons of coal in 1865 over the production in the previous year. We find from the tables alluded to that in the last five years the quantities exported and retained for consumption have been as follows :

	Exported. Tons.	Retained. Tons.	Used for each head of the population. Tons.Cwts. qrs. lbs.			
1861.....	7,855,115	77,657,029	8	7	2	6
1862.....	8,801,852	75,202,986	8	4	1	2
1863.....	8,275,212	79,890,258	8	8	1	20
1864.....	8,809,908	83,852,265	8	1	0	21
1865.....	9,176,477	88,980,110	8	18	2	24

It is therefore evident that the largely increased quantity of coal produced is consumed in their own manufactures, in commerce, or for domestic fires. Mr. Robert Hunt shows, by another tabular statement, that for the same five years there have been used for every branch of iron manufacture the following quantities :—

	Coal consumed in making iron. Tons.	Leaving for all other purposes. Tons.	Or for each head of the population. Tons. Cwt. qrs. lbs.			
1861.....	22,273,762	55,383,267	2	7	8	8
1862.....	23,552,107	51,650,879	2	8	0	13
1863.....	27,013,082	52,877,171	2	5	2	23
1864.....	28,715,439	55,187,526	2	6	0	8
1865.....	28,783,052	59,197,058	2	9	0	8

For the purpose of rendering this history of the coal trade as complete as possible within the limits to which at present the enquiry could be extended, returns of all the coals brought into London since 1834 are given, a detailed statement of all the collieries sending coal in the metropolitan district since 1854, and the prices of Newcastle and Sunderland coal in the London market during each month since the year 1832. From that in 1834 by sea and canal London received 2,080,547 tons, and in 1844, 2,563,166 tons. In 1845 the railways began to bring coal to London, the quantity in that year being 3,461,199 tons. In 1854 there was an advance to 4,378,732 tons, and in 1864 to 5,476,426. The quantity brought within the metropolitan district last year being 4,900,940 tons.

IRON.—Of iron ore it appears that there was raised from iron mines and collieries 9,910,045 tons, which is valued at the place of production at £3,324,084 13s 2d. This was used to feed 656 blast furnaces, from which flowed forth 4,819,254 tons of pig iron. Of this, 543,018 tons were exported and upon the remainder 6,407 puddling furnaces, and 730 rolling-mills were employed in converting it into finished iron.

TIN—The quantity of tin produced in 1865 was larger than that obtained from the tin mines in Cornwall and Devonshire in any previous year, amounting to 16,686 tons of tin ore, of the value of £866,435, from which 10,039 tons of metallic tin was obtained. The quantities of tin ore produced during the previous five years have been as follows :—

	Ore raised. Tons.	Price of Ore. per Ton.		Ore raised. Tons.	Price of Ore. per Ton.
1860.....	10,462	£71 11	1863.....	15,157	£68 12
1861.....	11,640	62 7	1864.....	15,211	60 17
1862.....	14,127	59 14			

This increase of production has strangely kept pace with a steady decline in price, until in 1865 the mean average price was £55 6s. The

system under which tin mines have long been worked renders it necessary to meet the exigencies of the share-market, that at any cost calls should be avoided and dividends declared. Hence, as the price has fallen each mine has poured more tin into the market to put off for a short season the evil day which must soon arrive. Seeing that very large quantities of tin are steadily arriving in England from Banca and Billiton, and that the Dutch merchants hold 7,690 tons of tin, available for the coming twelve months, there is no hope of any increase of price, until necessity, by closing many of the productive tin-mines, reduces the supply.

COPPER.—The copper mines of Great Britain and Ireland produced last year 198,298 tons of copper ore of the value of £927,938. From this 11,888 tons of copper were smelted, which had a value of £1,134,634. The production of British copper ores has been for some time steadily declining—the ores, as shown, by a table given, are becoming poorer, and the price which was for Cornish copper ores in 1856 £6 2s. 6d. has fallen to £4 15s. in 1865. The imports of foreign and colonial copper have been very large, that of copper ore amounting to 82,562 tons, and of regulus to 39,686 tons, while cake and manufactured copper have also been largely imported.

LEAD.—The total quantity of lead ore raised in the United Kingdom in 1865 was 90,452 tons, from which we obtained 67,181 tons of metallic lead, and 724,856 ounces of silver.

ZINC.—The ores of this metal—blende and calamine—have raised more freely, owing to a slight advance in the price of the ore, than it has been for some years past. Our mines produced last year 17,842 tons of zinc ores, against 15,047 tons obtained in 1864.

GOLD.—From the gold quartz which is mined from the Welsh hills in the neighborhood of Dolgelly we have the following returns:—

	Ounces of Gold.		Ounces of Gold.
Vigra and Clogau.....	532	Gwynfynydd.....	6
Welsh Gold Mine.....	277	Cwmheisian.....	2
Castell Carn Dochan....	827		—
Castell Carn Dochan.....	6		1,643

In 1864 2,336 ounces of gold were obtained, and in 1863 5,299 ounces.

SULPHUR ORES.—Iron pyrites have been raised during the year to the extent of 114,195 tons, the value of which is estimated at £71,174. Of this quantity 81,990 tons have been raised in county Wicklow, Ireland.

BARYTES.—A mineral which is largely used to mix with white lead; there are returns given of 6,768 tons.

ARSENIC.—Of the white oxide of arsenic a return has been made to the Stanuary Court of 826 tons, separated from other ores, and sold in Cornwall.

The following table gives a concise view of the importance of the mineral industries of the United Kingdom:—

General Summary of the Minerals Raised and Metals Produced in the United Kingdom in 1865.

	Minerals Raised		Metals Produced	
	Quantity.	Value.	Quantity.	Value.
Tin, tons.....	16,656	£867,437	10,039	9,125
Copper, tons.....	198,298	927,938	11,888	1,134,634
Lead, tons.....	90,451	1,158,184	67,181	1,433,161
Silver, oz.....	....	....	724,856	197,333

Zinc, tons	17,842	52,478	4,460	104,810
Pyrites, tons.....	114,195	71,174	.....	.....
Gold (quartz).....	4,280	.....	oz 1,164	5,824
Iron, tons.....	9,910,045	3,324,804	4,819,254	1,774,220
Coal, tons.....	98,150,587	24,587,621	.....	.....
Earthly minerals and others, returned.....	.....	774,466	.....	.....
Earthy minerals and returned, estimated.....	.....	650,000	.....	.....
Metalliferous ores and metals, other than above estimated.	.....	.....	.....	.....
Total value .....	.....	32,359,080	.....	15,773,257

The following, therefore, represents the total value of the productions of our mines and collieries in 1865 :—

Metals obtained.....	£15,773,287
Coal.....	24,587,621
Earthy minerals (not including ordinary clays and building stones).....	1,484,496
Total.....	£41,745,404

THE COPPER MINES OF CANADA.

The Bruce Mines, Lake Huron, owned by the Montreal Mining Company, are a group of lodes traversing the location in a northwestward direction, intersecting a thick mass of interstratified greenstone trap. The strata here present an anticlinal form, the lodes running down the crown of it. All of the lodes contain more or less copper ore, which is disseminated in a gangue of quartz. The main lode which is worked with another of about the same thickness, is, on an average, from two to four feet wide. In a careful examination made in 1848, about 3,000 square fathoms of these lodes were computed to contain about 6½ per cent. of copper. The quantity of ore obtained from the mine since its opening in 1847 is stated to be about 9,000 tons of 18 per cent. The quantity obtained in 1861 was 472 tons of 17 per cent. The deepest working is 50 fathoms from the surface. The number of men employed is 34. Smelting furnaces, on the reverberatory principle, were erected at the mine in 1853; the fuel used in these was bituminous coal imported from Cleveland, but after a trial of three years the company themselves ceased smelting and subsequently leased their smelting works to Mr. H. R. Fletcher. At present the ores are in part sent to the Baltimore market, and in part to the United Kingdom.

ACTON MINE, ACTON, LOT 32, RANGE 3.—The ore of the Acton Mine occurs in masses subordinate to the stratification at the summit of a band of greyish white and reddish-grey compact sub-crystalline dolomite, from 200 to 300 feet thick, belonging to the base of the Quebec group. The dolomite is divided into massive beds; it is associated with a good deal of chert, and encloses mammilated fibrous concretionary forms resembling those of travertine. At the summit the dolomite often terminates in a breccia or conglomerate, with angular and rounded masses of limestone, intermingled with ragged, irregular, masses of chert. In many places the dolomite is marked by the occurrence of the yellow, variegated, and vitreous sulphurets of copper, which are in patches, running with the

stratification. In the neighborhood of these, many veins and strings of quartz intersect the rock in various directions, and hold portions of the sulphurets of copper. The copper ores, which often contain native silver, appear to be more abundant in the upper part of the rock. At Acton, the conglomerate is separated from the main body of the dolomite by between eighty and ninety feet of dark grey or black slates intermixed with diorite; in these the conglomerate lies in large isolated masses running parallel with the summit of the main body of the dolomite. On the opening of the mine the sulphurets, where most abundant, appeared to occupy a position immediately near some isolated masses of conglomerate and partially to surround them, in some parts constituting the paste of the conglomerate. As the work proceeded, many slips and dislocations, of no great magnitude, were found to cut the strata. Some of them appear to run with the strike, and others in two of parallel series, oblique to one another. These disturb the regular continuity of the copper bearing bed, producing apparent undulations in the dip, and causing the diorite and the limestone to protrude into the copper or unexpectedly to interrupt one another. The ores were found to be concentrated in three large masses occurring in a length of about 120 fathoms. Proceeding south-westwardly, the space occupied by the most northern mass, from a breadth of a few inches gradually widened out to about ten fathoms in a length of about forty fathoms; beyond which it appeared to be thrown out fourteen fathoms obliquely to the westward. The general bearing of the succeeding two masses was still to be the southwest. They were about fifteen fathoms apart, and larger or more southward, one swelled to a breadth of fifteen fathoms. The depth to which the ground has been worked on the general slope of the bed is about ten fathoms; the cupriferous rock at this depth has a breadth of about twelve feet in a shaft on the northern mass, and shows rich ore in the floor and the parts adjacent; but with the exception of what is called Pike's pit, in the most southern part, the floor of the other masses do not at present exhibit that same abundance of ore which characterized the upper part. The working of the mine, however, up to the present time, has been confined to the extraction of the rich ore which was in sight. Little or nothing has been done for discovery, and it cannot be said how near to the present floor of the mine may be found other masses, similar to those which have been excavated. Beyond these masses, in opposite directions to the surface, the ore becomes more scattered in the strata; but there is evidence of its continuance for several hundred feet, in spots and patches, occasionally aggregated into masses of much less importance than the three principal ones. In the first few weeks' work in 1859 about 300 tons of ore, containing nearly thirty per cent. of copper; were quarried, in open cuttings, from two of the masses, without making much apparent impression on the quantity in sight. The total quantity said to be sent from the mine to 1861 is about 6,000 tons, holding an average of about 17 per cent. of copper.

UPTON MINE, UPTON, LOT 51, RANGE 20—The band of dolomite, which sinks with a northwestward dip at Acton, rises again at Upton, on the opposite side of a synclinal form, at a distance of about six miles. Here about twenty feet in the upper portion of the band are marked by the yellow sulphuret of copper, which is disseminated in the rock as if in a bed, the ore being most abundant in the lower part. The rock is at

a same time cut by many reticulating strings and veins of calcspar, which hold ore. An open cutting has been made on the outcrop of the bed; the quantity of ore obtained is stated by the proprietors to be forty tons, and a sample, represented by them to be an average one, yielded to the analysis of Mr. C. Robb, 14 per cent. of copper. The quantity of rock which has been excavated is uncertain.

BISSONETTE'S MINE, UPTON, LOT 49, RANGE 20.—From the position here the rock has been wrought in the previous mine, the band of dolomite runs southwestward for nearly a mile, and then appears to be thrown upwards of half a mile to the south-westward by a dislocation. Bissonette's mine is on the southwest side of the dislocation, and apparently in the same stratigraphical place in the band as the Upton mine. The bed is about three and a-half feet thick, and the ore lies in disseminated masses of various sizes up to twenty inches long by six to nine inches thick. The bed might probably yield from a half to three-fourths of a ton of ten per cent. ore to a fathom.

WICKHAM MINE, WICKHAM, LOT 15, RANGE 10.—The ore occurs in masses, disseminated in what appears to be a bed, of uncertain thickness, in the same band of dolomite as that of the Acton mine. An experimental shaft has recently been sunk on it to a depth of about five fathoms, in which good bunches of ore have been met with. About four tons of 10 per cent. ore have been obtained from the excavation.

YALES MINE, DURHAM, LOT 21, RANGE 7.—At this mine several veins, carrying more or less copper, intersect a mass of magnesian limestone, which is supposed to belong to the same band as that of the Acton mine. The veins have a general bearing northeastward, and trial shafts have been sunk on three of them, the thicknesses of which vary from 6 to 30 inches. The vein-stone is calcspar, with a little quartz, occasionally mixed with portions of the wall rock. On the most northwestern vein the excavation is two fathoms deep, and reaches black shale beneath the limestone. On the middle one, which is 18 feet to the southwest, the excavation is six fathoms deep, again reaching black shale; and on the third, 24 feet farther to the southeastward, a shaft sunk about four fathoms is still in magnesian limestone. In this shaft the vein has an underlie to the southeastward of about a foot in a fathom, and in a breadth from 6 to 12 inches shows good lumps of ore, mixed with calcspar and wall rock.

BLACK RIVER MINE, ST. FLAVIEN.—At St. Flavien, about five leagues above the Chaudiere and two leagues from the St. Lawrence, red shales occur, underlaid by a band of amygdaloidal diorite; this appears to occupy the place of the magnesian limestone to which the band at Acton belongs. It is between a quarter and half a mile wide, and limestone occurs both at the summit and at the base of the band, which in those parts appear to be of a concretionary or conglomerate and brecciated character being composed, particularly at the base, of rounded and angular masses of amygdaloidal diorite, varying in diameter from two inches to two feet. Many of these are calcareous, and much of the rock is red. The interstices among the masses are filled with calcspar, which is transversely fibrous towards the walls, and encloses crystallized quartz in the centre. This band is highly cupriferous, and ores of copper occur both in the beds and in the veins or lodes which cut them—the bearing of the veins, however, being with the strike. The ore in the beds is copper pyrites, large masses

of which, similar to the one exhibited, are associated with the limestones at the top. The veins, in addition to copper pyrites, hold the variegated and vitreous sulphurets. In one spot, native copper occurs in small masses in the conglomerate at the base of the diorite. The whole band has a striking resemblance to some of the rocks of the upper copper-bearing series of Lake Superior.

N. B.—A band of diorite very similar to the one above mentioned, and perhaps a continuance of it, occurs at Drummondville, on the St. Francis, where the bank is half a mile wide. On lot 1, range 1, of Wedyver, it holds yellow, variegated, and vitreous sulphurets of copper, which run in six or seven thin veins or courses, formed by breaks and slips in the diorite within a breadth of 350 yards.

The rocks of the Quebec group, which are almost wholly on the South side of the St. Lawrence, are distributed in long, narrow parallel synclinal description, these have been divided into—1st. The Lauzon and Farnham synclinal, which is one of the most to the N. W.: 2d. The Shipton and St. Armand synclinal, continued to the N.E. in the Shipton and Leeds synclinal. Between these two synclinals runs the Bayer and Stanbridge anticlinals, and beyond them to the S.E. is the Danville and Sutton anticlinal. From this there branch, in the neighborhood of the St. Francis, the Sutton Mountain anticlinal and the Melbourne and Potton anticlinal. The six copper-bearing beds and veins that have been mentioned, 4-9, are all included in the Lauzon and Farnham synclinal.

HARVEY'S HILL MINE, LEEDS, LOT 18, RANGE 15.—At Harvey's Hill mine there occur, in a breadth of about 1,000 feet, eight courses, with a north-eastward bearing, composed chiefly of quartz with various proportions of bitter spar, chlorite, and calcspar. They all cut the strata, with an underlie at high angles, to the north-westward, and hold in greater or less quantities the yellow, variegated, and vitreous sulphurets of copper. These quartz-courses, which appear to have lenticular forms, occasionally extend upwards of 100 fathoms horizontally. Some of them have shown a width of as much as seven feet in the thickest part, occasionally for carrying short distances as much as two tons of twenty per cent ore to a fathom. The rock of the country is a talcoid, mica slate, which forms its lustre, is called a nacreous slate. To prove the quartz courses in a downward direction, an adit level is being driven through these slates, from the north side of the hill, at a level of thirty-seven fathoms below its summit. The length of this adit when complete will be 320 fathoms. The same sulphuretes of copper which characterise the quartz courses occur also in beds conformable with the stratification. Of these there are three at Harvey's Hill. The lowest one resting on a six feet bed of soapstone, is six inches thick; fifteen feet above this there is another three inches thick; and twenty fathoms still higher, one varying in thickness from twenty to thirty inches. In these beds the ore is distributed through the nacreous slate in patches, generally of a lenticular form; they are usually thin, but sometimes attain one-half to three-fourths of an inch in the thickest part, and occasionally present in section lines of six inches or even twelve inches in length. The patches interlock, one overlapping another, with variable distances between; while many single crystals and grains of ore are disseminated through the whole thickness of the beds. The quantity of ore obtained from the mine is uncertain; the number of men employed is about fifty.

ST. FRANCIS MINE, CLEVELAND, LOT 25, RANGE 12.—The ore is disseminated in a vein slightly oblique to the stratification of a quartzo-chloritic rock, frequently studded with nodules of orthoclase feldspar, often surrounding small centres of quartz; the nodules give to the rock the aspect of an amygdaloid trap. The bed has an average thickness of three feet, and the rock is supposed to occupy a higher stratigraphical place than the Acton dolomite. The vein is traced running N.E. for 90 fathoms. Five or six small excavations, each one of a few fathoms in length, have been made in the outcrop to the depth of two feet, and in these the variegated and vitreous ores are mixed with the yellow sulphuret.

FALLACIES ABOUT SPECIE PAYMENTS.

It is the fashion just now to talk of an early return to specie payments. And the desire which all good citizens have to get back to a sound stable currency, leads not a few of us to welcome every downward movement in the price of gold, as if it indicated that we were approaching the desired goal of resumption. If the only force which is at this moment acting on gold to depress or raise the premium in the market, were an appreciation of greenbacks, and took its origin in a reform of our paper money, these sanguine expectations would not be devoid of foundation. But it is notorious that gold is exposed in its daily fluctuations in the market to a host of other influences which have no connection whatever with our greenback currency. Hence, the perturbations in the value of gold, so far as they are due to such causes, offer no indication whatever of responsive movements in the value of our paper money. The thermometer ceases to be a register of the heat of your room whenever the rise or fall of the mercury is tampered with, or is governed by other causes than the heat of the atmosphere. So with gold. It is no accurate gauge of the depreciation of the currency, except its daily price can be freed from perturbation by the foreign exchanges, by the import and export movement of specie, by the supply of floating gold on the market, by the prospect of peace or war in Europe, by the movements of our national Treasury, and by a thousand other occult circumstances, which Wall Street seizes upon and makes the basis of calculation, measurement, and speculation. Let us not be misunderstood. We do not say that the price of gold is never, or in no degree regulated by the depreciation of our paper money. What we say is, that this depreciation, this loss of purchasing power, is one force among a multitude of conflicting forces, all of which modify and regulate the market price of gold. The real price of gold, if we could get at it, might measure the depreciation, and would indicate the purchasing power of our paper money as a thermometer measures degrees of heat or cold; but the *real* price of gold is not the *market* price.

The latter is in very great emergencies, very far removed from the former. Thus, in July, 1864, the market-price of gold rose to 285, but the real price was much below that figure, as is proved by the fact that the purchasing-power of the greenback-dollar in the hands of the workman who wished to buy with it food or other necessities was as great when gold was at 285 as some weeks earlier when gold stood at 168, or, as it was last April, when the rate was 125. We might, indeed, with

as much justice, argue that the great law of gravitation is suspended because the sea pours its waters up the Hudson twice a day as to deny the great law that currency redundancy produces currency depreciation because of certain tidal perturbances in market-value which prevent the rate of gold from corresponding exactly with the rate of depreciation. Without arguing the question more at length, then, enough has been said to show the fallacy of the prevalent opinion that whenever, from any causes whatever, gold is going down in price, we are of necessity improving our depreciated deranged currency or drawing a step nearer to resumption of specie payments.

Another view which is abroad in reference to this subject is that by hoarding up gold in the Treasury, we shall facilitate an early resumption. We have at present more than seventy millions of Government gold in the Treasury vaults. When we have one hundred and fifty or two hundred millions hoarded up there (if, contrary to belief, there is enough gold in the country to permit us to amass so much without inflicting great mischiefs on commerce), what good will this prodigious store of coin do to us? Suppose, with this one hundred and fifty or two hundred millions, we offer to redeem our legal tenders at par, what would be the natural result? Of these legal tenders we have outstanding no less than five hundred and fifty-five millions. And how long would our two hundred millions remain in the Treasury? It is easy to see that every holder of greenbacks would hasten to get coin for them. The greenbacks would pour into the Treasury and the gold would flow out in a resistless stream until, at the end, there would remain more than three hundred and fifty millions of greenbacks outstanding, for which no gold could be got at the Treasury. Now, every man of business must see at once that the spasms produced by such a violent perturbation of the circulating medium would fill the whole country with panic. Bankruptcy and universal stagnation would succeed; and it would be well if, in the general ruin of our commercial and financial interests, the national debt was not at one stroke swept away. Happily, no such mischievous and suicidal scheme as this was ever adopted by any nation as a remedy for the evils of irredeemable paper money. Certainly, there is in our people too much good sense and general knowledge of history and finance to render it in the least degree likely that in Congress or among our citizens generally this view will ever stand a chance of getting itself into favor, or of exerting an influence in shaping the financial policy of the future.

But, to understand the true remedy and the mode of applying it, we should ask ourselves what is the impediment to our resumption of specie payments? To this question, the reply is that the redundancy of the currency is the chief impediment. Take this stupendous obstacle away and all others will be of small moment. Contract the volume of the currency to its normal limits, and whatever else is needful will be done with comparative ease. The greatest, the most necessary, and the first step toward specie payments, is contraction of the currency. Although there is no proposition in financial science which is better established than this, all kinds of visionary projects for restoring the currency are found in the public press. One of the chief causes of this is the mischief induced by contraction when it is done unskillfully, or at the wrong time. The

first occasion on which this mischief was very prominently brought into view in our recent financial history was in the summer of 1863, when Mr. Chase, persuaded by persons who urged him to give a check to speculation, suddenly locked up in the Treasury a large amount of greenbacks, hastily gathered, by various expedients, in the City of New York. Had the absorbing of this money been slow, or had an adequate previous notice been given, the equilibrium would have been less violently disturbed. As, however, this previous notice would have defeated the object in view, the movement was made suddenly, and fell like a thunderbolt from a clear sky. A panic was produced which will be long and sadly remembered in financial circles. A few speculators were made rich by it, but thousands were impoverished, and it was estimated at the time that the loss by depreciation of property was 106 millions of dollars. Ever since this period, we have had in the popular mind such a dread of contraction of the circulation, that there has been a readiness to listen to any proposals for returning to specie payments without this indispensable condition. All these schemes, however, as we have said, are absurd, and attempt an impossibility. Never in the history of nations has any depreciated currency been restored to par except by contracting its volume. As well might a boat attempt to go from Lake Erie to the sea without descending the whole depth of the Falls of Niagara.

This, then, is the difficulty. Contraction of the currency is necessary. But to contract violently is impossible. To make the leap at once would engulf the whole country in bankruptcy. We must, therefore, take the next best means. As we cannot descend to the level we want at one plunge, we must be content to do it by gradual degrees. As a vessel may safely go down by a series of locks to any required depth, in its transit from the lakes to the sea, so may our financial barque, if well piloted through the successive slow movements which are needful, gradually reach the desired haven of resumption. There is then a right way and a wrong way to contract the currency. The wrong way is to make the plunge suddenly, and its end is inevitable failure. The right way is to diminish the volume of our circulating money by slow degrees. This is the way decided on by Congress, in prohibiting a greater reduction than four millions a month. And, if preserved in, this safe course will bring us to specie payments in less time, and with less danger of revulsion and panic, than any other.

If the testimony of history were not so full and complete that necessity of contraction is necessary to resumption, we might infer it from the fact that depreciation is produced by redundancy. Neither French Assignats, the Continental currency, nor our own greenbacks, depreciated noticeably in value till they were issued in excess. Now, depreciation being caused by redundancy, a recovery from the morbid state is to be realized only by removing the cause—that is, by correcting the redundancy. Of our paper money, a sufficient amount must be withdrawn to make the aggregate what it would be on a coin basis. This normal amount is not fixed and rigidly stationary. Like the current of the Mississippi, it varies responsively to various causes at different parts of the year. But it varies within bounds which are ascertainable and self-regulating. How much currency we should want were the paper dollar equal to ten dimes in coin, cannot be discovered by referring to the period be-

fore the war and the suspension of specie payments. At that period two hundred millions were enough. During the last five years we have vastly expended our financial operations, our mercantile enterprises, and our productive industry. There is more need therefore, and more use for the circulating medium. The amount which is now required has been estimated at three hundred millions, and it probably could not safely exceed four hundred millions without being reduced in purchasing power below the level in coin.

In England the average amount of current money is under 250 millions of dollars; in France under 300 millions. But the habits of various countries differ so widely as to the methods of doing business and of economising currency, that no certain conclusion can be reached, save by experience. From what has been said, however, three or four conclusions are sufficiently clear. First, a large amount of our 800 millions of active paper money must be withdrawn before we can get down to the level of specie payments. Secondly, if high prices necessitate the use of a large volume of currency, and redundant currency therefore puts prices up, the converse is true, and a permanently contracted currency will produce permanently lower prices for real estate, merchandise, and all other commodities. Thirdly, the contraction being gradual, and extending itself over a series of years, the shrinkage in prices will be almost insensible, or may, at any rate, be adjusted with such quietude as to do but little harm. Fourthly, the debtor classes of our population, who will suffer by contraction, are those which are mostly sensitively exposed to pecuniary injury, and which suffer most severely under it. Hence the necessity for caution as to every successive step we advance in the path of contraction.

In view of these facts there is the most anxious watchfulness over any of Mr. McCulloch's movements which seem to look towards interference with the currency. His power to call in greenbacks is limited by Congress to 48 millions a year. He may withdraw less than this sum, but he is not permitted to withdraw more. But there are other parts of the currency over which Congress has left him unlimited power. The compound interest legal tenders he can withdraw as fast as he can buy them at par, first cost. If the price were not two per cent above par he would have the ability to act on the currency by bringing these notes, which are largely held by the banks as reserve instead of other legal tenders. Being so held as reserve they perform one of the functions of currency, and thus do the duty of a certain amount of greenbacks, which are released for active use in the current of circulating money. We doubt the policy of paying off the Clearing-House certificates, which have been held by the banks at four per cent. interest. Forty five millions of currency are thus being thrown into the banks, and they will be tempted to lower their reserve, and either to lend their surplus funds in discounting rashly, or to invest for speculative purposes. This lowering of the reserve is obviously a weakening of the position of the banks. At present they hold considerably more of legal tenders than the twenty-five per cent. reserve required by law. Some of the reasons why we have had so swift a recuperative movement after the monetary spasms which have visited us, is to be found in this extraordinary strength in the reserve funds which constitute the buttresses and bulwarks of our financial edifice. Two of the most powerful inducements which have led and enabled the banks to strengthen

themselves with so ample a reserve, are found in the compound interest notes and the Clearing-House certificates. We have, consequently, grave doubts whether it is safe and wise at the present moment for the Secretary of the Treasury thus to disturb the currency. Contraction is a good policy, a necessary policy, but it must be timely, not at the active period of the year, and it should be slow. At the same time every inducement should be held out to our banks to increase this reserve.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, ETC.

Notwithstanding the Bank rate of discount was at 10 per cent. during the month of July, the English Board of Trade returns for that month, which we have just received, present many favorable features. As regards that country, the results show most conclusively the importance of the trade between us and Great Britain, although it must be borne in mind that transactions would not have been on the extensive scale reported had no fears been entertained in England that higher rates of import duty might be imposed in this country. Future business has, therefore, been anticipated, and for that reason, in part, is so extensive a trade exhibited during the months of May, June and July.

The declared value of the imports of British and Irish produce and manufactures during the seven months ending July 31 was £107,815,664, against £38,242,048 last year, and £92,441,950 in 1864. There is, therefore, an increase during the present year, as compared with 1865, of £19,600,000, and of £15,400,000 as compared with the corresponding period in 1864. For each of the seven months in each of the last three years the figures stand thus :

	1864.	1865.	1866.
January.....	£10,413,596	£10,489,339	£14,354,748
February.....	12,698,121	11,376,214	15,116,062
March.....	13,555,674	13,770,154	17,520,354
April.....	13,325,089	12,071,111	15,368,414
May.....	14,176,640	13,194,738	15,870,181
June.....	13,278,526	13,227,042	14,630,120
July.....	14,394,364	14,112,410	14,957,834
Total.....	£92,441,950	£38,242,048	£107,815,664

The computed real value of the principal articles imported into the United Kingdom, during the six months ending June 30, was rather more than £30,000,000 sterling greater than in the corresponding period in 1865, and £16,600,000 in excess of 1864. This great increase is chiefly to be accounted for by the augmented importation of cotton from this country. The figures for each month are subjoined :

	1864.	1865.	1866.
In January...	£7,530,356	£6,398,922	£9,847,564
February.....	13,214,541	12,891,252	16,610,159
March.....	16,396,928	13,005,394	19,891,204
April.....	17,587,565	13,078,755	22,455,968
May.....	22,392,601	14,595,334	22,224,762
June.....	21,498,185	15,407,688	23,243,701
Total.....	£98,610,176	£75,340,272	£115,273,358

As regards the United States, the value of the outward trade in British and Irish produce and manufactures from Great Britain, for the month of June and for the six months ending June 30, was as under :

For June.	1864.	1865.	1866.
To Atlantic ports, Northern.....	£1,503,023	£1,180,363	£1,222,227
" Southern.....	10,488	614	57,000
Pacific ports	195,435	60,527	22,428
Total.....	£1,708,946	£1,259,504	£1,279,225
For the six months.	1864.	1865.	1866.
To Atlantic ports, Northern.....	£11,435,269	£8,965,101	£14,273,277
" Southern	65,951	22,502	52,224
Pacific ports	526,263	227,274	22,124
Total	£12,027,483	£9,214,877	£14,327,525

COTTON.

The imports of cotton into the United Kingdom in July were 600,000 cwts. less than in the previous month. There was a diminution of 354,000 cwts. in the receipts from this country; and of nearly 220,000 cwts. in the importation from the East Indies. The aggregate supply received was 1,075,244 cwts., of which 404,113 cwts. were from this country, and 509,942 cwts. from the East Indies. In the corresponding month last year the receipts from the United States, including the supplies received from the Bahamas, Bermudas, and Mexico, which were mostly United States cotton, were only 45,000 cwts., and in 1864, only 54,400 bales. Annexed are the figures for the seven months:

IMPORTS OF COTTON INTO GREAT BRITAIN IN SEVEN MONTHS ENDING JULY 31.

	1864.	1865.	1866.
From United States.....cwts.	£298,824	£282,963	£3,632,227
Bahamas and Bermudas.....	186,858	155,833	1,222
Mexico	157,066	242,500	2,116
Brazil.....	218,070	208,767	60,124
Turkey	188,558	155,226	2,224
Egypt.....	790,853	904,219	62,227
British India.....	1,889,997	1,411,226	2,222,227
China.....	482,328	266,223	11,222
Other countries.....	155,050	208,621	1,222
Total.....	£4,124,624	£3,694,082	£7,922,227

The subjoined statement shows the computed real value of the imports of cotton into the United Kingdom during the six months ending June 30:

	1864.	1865.	1866.
From United States	£1,245,254	£234,213	£2,222,227
Bahamas and Bermudas.....	2,088,809	1,320,100	4,222
Mexico.....	1,826,733	1,816,600	2,222
Brazil	2,262,974	1,750,714	2,222,227
Turkey.....	1,298,529	747,678	60,222
Egypt.....	8,262,879	6,192,241	5,222,227
British India.....	15,022,536	5,860,043	11,222,227
China.....	2,570,152	957,266	1,222,227
Other countries.....	1,521,226	1,277,450	1,011,227
Total.....	37,858,222	20,472,572	47,222,227

The exports of cotton from the United Kingdom are on a comparatively small scale, considering the greater abundance of supplies in the Liverpool market, and the more favorable terms on which exporters could be supplied. The unsettled state of Germany during the past six months of the year has been a serious drawback to this as well as to other branches of trade. In July the export was confined to 333,440 cwts. against 218,105 cwts. in July last year. Our latest advices from Liverpool, however, report an increasing demand, and future returns will probably show more satisfactory results. In the seven months ending July 31, the exports of cotton from Great Britain were as under:

	1864.	1865.	1866.
To Russia.....cwts	171,478	119,500	1,222,227
Prussia.....	7,187	18,012	2,222
Hanover.....	37,173	12,002	2,222
Hanse Towns	820,760	265,270	2,222,227
Holland.....	272,278	222,606	2,222,227
Other Countries.....	522,516	600,220	2,222,227
Total.....	1,341,342	1,400,470	1,222,227

BREADSTUFFS.

The crop of wheat in England appears to be rather below an average, and, as the weather during the progress of harvest work in the southern and midland counties was very changeable, the crop, so far as it had been harvested at the date of our latest advices, had not been secured in fine or even good condition, and was not ready, therefore, for immediate consumption. Beyond damping the produce, the prevailing rains do not seem to have done any great injury to the crops, and, as farmers had forwarded considerable supplies of produce to market, the wheat trade had been in a very inactive state, and prices had given way about 3s. per qr. During the few days preceding the departure of the mail steamer from Liverpool, on Sept. 1, there was more firmness in the trade, arising from the circumstance, partly of the rumors of a short crop in France, changeable weather in Great Britain, and accounts received from this country of heavy rains in the Western States, and of the upward movement of prices here. The statements respecting the short crop in France appear to be greatly exaggerated, for wheat and flour continue to be exported in considerable quantities from French ports to Great Britain. The crop of maize in Roumania has almost entirely failed, and the export has been prohibited from that province. The annexed statement shows the imports of wheat, flour and Indian corn into the United Kingdom during the seven months ending July 31, in each of the last three years :

WHEAT.			
	1864.	1865.	1866.
From Russia..... cwts.	1,603,580	3,510,484	3,928,969
Prussia.....	2,746,198	2,729,900	2,459,902
Denmark.....	469,425	297,112	244,952
Schleswig, Holstein, & Lauenburg.....	181,896	159,211	117,530
Mecklenburg	358,254	312,333	455,222
Hanse Towns.....	384,761	267,901	489,720
France.....	437,394	678,791	3,162,206
Turkey, Wallachia, and Moldavia.....	273,238	407,469	300,973
Egypt.....	366,866	....	8,788
United States.....	5,062,724	405,307	323,160
British North America.....	405,375	101,594	8,789
Other Countries.....	262,583	670,607	2,233,274
Total.....	12,554,284	9,540,749	13,784,435
FLOUR.			
	1864.	1865.	1866.
From Hanse Towns..... cwts.	204,433	140,041	160,477
France.....	1,891,363	1,409,217	2,974,122
United States.....	1,214,343	150,188	168,949
British North America.....	211,828	70,464	6,166
Other Countries.....	68,715	83,899	143,108
Total.....	3,090,682	1,853,809	3,452,822
INDIAN CORN.....	1,408,500	2,045,872	7,653,350

BRITISH AND IRISH PRODUCE AND MANUFACTURES.

These exports have been very large, the greatest increase being, as regards the United States, Canada and Brazil. Cotton goods and Woollen goods have been shipped in enormous quantities to all quarters of the globe. The following table shows the value of the exports to the United States in the seven months ending July 31 :

	1864.	1865.	1866.
Alkali.....	£251,218	£228,807	£344,915
Beer and ale.....	33,268	21,808	39,715
Coals	69,667	56,284	51,970
COTTON MANUFACTURES—			
Piece goods.....	1,423,383	831,905	2,232,329
Thread.....	147,124	64,354	210,701
Earthenware and porcelain.....	269,609	207,121	448,750
Haberdashery and millinery.....	675,152	400,069	830,718

HARDWARES AND CUTLERY—

Knives, forks, &c.....	84,637	78,944	185,781
Anvils, vices, &c.....	62,220	44,440	62,645
Manufactures of German silver.....	205,092	115,453	37,000

LINEN MANUFACTURES—

Piece goods.....	1,780,490	1,385,302	1,661,573
Thread.....	141,057	78,700	145,367

METALS—

Iron—Pig, &c.....	199,759	56,097	173,771
Bar, &c.	620,625	92,530	32,534
Railroad.....	716,582	179,000	44,391
Castings.....	12,128	2,465	19,395
Hoops, sheets and boiler plates.....	198,414	35,411	127,000
Wrought.....	204,294	84,250	137,572
Steel—Unwrought.....	369,406	164,905	34,734
Copper, wrought.....	12,962	20,119	29,000
Lead, pig.....	180,334	25,407	65,642
Tin plates.....	556,205	464,583	67,946
Oilseed.....	45,942	1,744	141,207
Salt.....	21,936	16,094	74,391

SILK MANUFACTURES—

Broad piece goods.....	65,708	35,422	92,200
Handkerchiefs, scarfs, &c.....	16,722	1,235	6,131
Ribbons.....	27,533	15,178	21,000
Other articles of silk only.....	72,377	65,203	73,771
Other articles mixed with other materials.....	81,783	17,014	42,500
Spirits, British.....	9,678	1,119	2,174
Wool.....	87,242	3,152	30

WOOLLEN AND WORSTED MANUFACTURES—

Cloths of all kinds.....	667,647	238,231	651,444
Carpets and druggets.....	259,969	117,102	45,407
Shawls, rugs, &c.....	58,306	13,616	27,000
Worsted stuffs of wool only, and of wool mixed.....	1,767,384	1,282,617	1,332,965

PROVISIONS.

The imports in July were much below last year, notwithstanding that prices continued to rule high at the whole of the British markets. The prices of butter, cheese and bacon were at a high point at the date of our latest advices from Great Britain. The imports in the seven months ending July 31, were of the following magnitude :

	1864.	1863.	1862.
Bacon and hams, cwts.....	852,485	464,268	426,966
Beef, salt, cwts.....	236,109	143,850	147,000
Pork, salt, cwts.	148,908	118,521	121,000
Butter, cwts.....	490,257	554,405	565,600
Cheese, cwts.....	289,317	326,456	271,125
Eggs, number.....	207,791,820	233,704,240	233,765,900
Lard, cwts.....	126,236	81,140	205,500

• LIVE STOCK.

The imports of live stock have fallen off from last year, arising chiefly from the circumstance that the import of stock with Great Britain from Rotterdam and Amsterdam is still prohibited. In England, the cattle disease has almost died out, but the stringent regulations relating to the cattle traffic are still in operation. Scotland has been declared free of disease. The price of butcher's meat is still very high in Great Britain and the tendency of the quotations is in an upward direction. The annexed figures embrace a period of seven months :

IMPORTS OF LIVE STOCK INTO GREAT BRITAIN.

	1864.	1863.	1862.
Oxen, bulls and cows	64,186	92,116	86,177
Calves.....	23,846	27,475	10,567
Sheep and lambs.....	189,434	312,074	422,565
Swine and hogs.....	26,000	49,622	31,399

SHIPPING.

During the month of July, and the seven months ending July 30, the

following number of American vessels entered and cleared at ports in the United Kingdom :

	Number.	Tonnage.
Entered in July, 1866.....	83	34,633
do do 1865.....	83	36,739
do do 1864.....	50	51,457
Entered seven months ending July 30, 1866.....	263	267,145
do do do 1865.....	150	163,827
do do do 1864.....	253	283,328
Cleared in July, 1866.....	55	50,070
do do 1865.....	15	15,279
do do 1864.....	30	32,868
Cleared seven months ending July 30, 1866.....	338	333,396
do do do 1865.....	173	171,557
do do do 1864.....	243	268,508

The annexed statement shows the number of vessels, of all nationalities, entered and cleared at ports in the United Kingdom from and to the United States, in the above periods :

	Number.	Tonnage.
Entered in July, 1866.....	148	126,127
do do 1865.....	57	59,959
do do 1864.....	130	109,420
Entered in seven months ending July 30, 1866.....	996	908,173
do do do do 1865.....	292	335,982
do do do do 1864.....	645	621,253
Cleared in July, 1866.....	116	118,871
do do 1865.....	78	85,184
do do 1864.....	96	101,101
Cleared in seven months ending July 30, 1866.....	855	887,617
do do do do 1865.....	444	517,725
do do do do 1864.....	733	750,804

ANALYSES OF RAILROAD REPORTS. No. 14.

I. Chicago, Burlington and Quincy Railroad.—II. Boston and Maine Railroad.

CHICAGO, BURLINGTON AND QUINCY RAILROAD.

The several lines belonging to this company have in the aggregate a length of *four hundred* miles and are as follows :

Main line—Chicago to Quincy.....	miles.	265
Branch line—Galesburg to Burlington.....		40
Peoria branch—Galesburg to Peoria.....		52
Lewiston branch—Yates City to Lewiston.....		30
Old Line—Aurora to Chicago Junction.....		13
Total miles owned and operated by company.....		400

The railroad property of the company, which in its original design, consisted of a road from the junction of the Galena and Chicago Railroad (then so called) about 30 miles from Chicago to Galesburg, 138 miles, now consists of a continuous main line from Chicago to Quincy, 265 miles, and which at Quincy connects with the Hannibal and St. Joseph Railroad extending by its connections (nearly complete) to the Kansas Branch of the Pacific, and which will command a very large share of the business of the northern portion of the United States, which may pass over the route to and from the Western Territories and the Pacific States; and of a branch to Burlington, equally part of a main line between Chicago and that city, where it connects with the Burlington and Missouri Railroad, complete 76 miles and fast approaching completion 56 miles further to near the centre of Southern Iowa, destined also to be a great route across that State; and also of a road from Galesburg to Peoria, 52 miles, with a branch to Lewiston. The business of all these

roads comes upon the main trunk at Galesburg, and passes thence over its length to Chicago. There is also a small part of the original line between Aurora and the junction with the Galena road, 13 miles, not however, of much value. But the two routes to Quincy and Burlington, destined as they are to become great thoroughfares for both business and travel, have great present and greater prospective value; while every mile of road to Peoria and Lewiston also contributes much to the revenue of the Company by reason of the business which they furnish, passing over the main line from Galesburg to Chicago.

The following statements have reference to the operations and revenue of the company for the four financial years ending April 30, 1866.

The rolling stock owned by the company May 1, 1862 and at the close of each subsequent fiscal year is shown in the annexed statement :

	May 1. 1862.	Close of Fiscal Year.—			
	1862.	1862-3.	1863-4.	1864-5.	1865-6.
Locomotive Engines.....	62	86	98	105	111
Passenger Coaches.....	27	30	36	46	54
Baggage, mail and express.....	18	17	24	25	25
Horse, freight and cattle.....	815	999	1,334	1,508	1,639
Platform and coal cars.....	186	200	401	423	442
Drovers, &c., cars.....	23	30	40	36	36

—not including working cars, the stock of which in April, 1866, consisted of 40 gravel, and 44 rubble cars, and 122 hand cars.

The total mileage of trains was in 1863-4, 1,955,519 miles; in 1864-5, 1,963,105 miles and in 1865-6, 2,083,580 miles.

TRAFFIC ON THE LINES YEARLY.

The subjoined statements exhibit the details of the east and west passenger and freight business of the company for the last four years.

The number of passengers and the direction of travel, with the aggregate mileage were as shown in the following table :

	1862-63.	1863-64.	1864-65.	1865-66.
Through Passengers—Carried East.....	12,688	15,989	21,360	27,555
“ “ “ West.....	15,127½	22,783	28,707	35,186
“ “ “ both ways.....	27,815½	38,772	50,067	62,741
Way Passengers—“ East.....	188,863½	262,055	395,328	422,687
“ “ “ West.....	185,987	273,148	397,164	453,773
“ “ “ both ways.....	374,850½	535,203	792,492	876,460
Total Passengers—“ East.....	201,550½	278,044	416,688	450,246
“ “ “ West.....	201,114½	295,881	425,871	488,953
“ “ “ both ways.....	402,666	573,925	842,559	939,205
Equivalent num. of Pas. carried 1 mile.....	23,358,939	30,009,865	42,406,923	49,670,621

The freight traffic for the same years is shown in the following table:

	1862-63.	1863-64.	1864-65.	1865-66.
Tons of freight—carried East.....	580,278	523,594	456,835	494,480
“ “ —carried West.....	197,458	286,676	280,676	327,403
“ “ —carried both ways.....	777,736	809,674	737,511	821,883

—the equivalent number of tons carried one mile having been :

	1862-63.	1863-64.	1864-65.	1865-66.
Tons of freight—Carried East.....	81,298,033	78,624,460	66,494,144	65,036,145
“ “ “ West.....	26,697,809	33,129,048	41,085,216	48,730,814
“ “ “ both ways.....	107,995,842	116,753,508	107,579,360	113,766,959

The tons of freight forwarded from and received at Chicago, and the mileage thereof for the same years, was as follows :

	1862-63.	1863-64.	1864-65.	1865-66.
Tons received at Chicago.....	492,014	487,970	375,590	398,909
Tons forwarded from Chicago.....	131,907	187,882	210,769	251,465
Received and forwarded.....	623,921	625,852	586,359	650,374

—and the mileage thereof was thus, viz. :

	1862-63.	1863-64.	1864-65.	1865-66.
Mileage of each ton received.....	77,595,184	74,747,018	62,123,601	59,247,15
“ “ “ forwarded.....	23,408,685	34,491,299	37,381,583	44,444,64
Total mileage.....	101,003,819	109,238,317	99,505,183	103,691,79

These statements are exclusive of the company's tonnage, which amounted in 1865 to 162,560 (10,675,598 miles,) and in 1866 to 133,019 (9,827,252 miles.)

FISCAL OPERATIONS—EARNINGS, EXPENSES, ETC.

The gross earnings and cost of operating, with the net earnings for the same years, are shown in the subjoined statement:

	1862-63. (210 miles.)	1863-64. (293 miles.)	1864-65. (300 miles.)	1865-66 (400 miles.)
Freight earnings	\$1,927,944 79	\$2,326,363 58	\$3,395,679 45	\$4,204,740 82
Passenger earnings.....	426,417 82	684,374 82	1,158,596 21	1,757,867 99
Mails and other income.....	58,458 79	79,472 68	133,911 04	218,424 54
Total earnings.....	\$2,412,821 40	\$3,090,211 08	\$4,688,186 70	\$6,175,533 35
Operating expenses.....	1,072,988 78	1,575,395 00	2,436,147 10	3,020,164 78
Net earnings.....	\$1,339,832 62	\$1,514,816 08	\$2,252,039 60	\$3,155,368 57

The following shows the resources of the company from all sources, and the manner of their disbursement:

	1862-63.	1863-64.	1864-65.	1865-66.
Net earnings as above	\$1,339,832 62	\$1,514,816 08	\$2,252,039 60	\$3,155,368 57
Interest and exchange.....	10,801 15	.....	14,630 86	30,152 17
Balance from Q. & C. R. R.....	.....	.....	.....	81,176 06
Balance credit steamer	8,525 63	.....	.....	.....
Inc. credit from last year.....	1,296,160 64	604,859 38	1,026,093 11	988,401 08
Total resources.....	\$2,650,320 04	\$2,119,675 41	\$3,292,763 07	\$4,255,117 88

—which was disbursed as follows:

Interest on bonds.....	\$324,685 28	\$359,189 90	\$349,025 14	\$421,566 34
Prem. on fractional stock...	.....	.....	8,491 61	64 88
Taxes, State.....	24,869 63	45,619 26	71,846 74	169,619 96
do Internal.....	15,100 20	38,101 88	176,873 00	322,040 16
Improvements	37,143 95	67,413 86	47,485 09	8,668 68
Rents of tracks and depots.....	17,074 98	10,081 00	17,921 60	17,457 92
Locomotive account.....	37,500 00	.....	.....	.....
Transfer office expenses.....	2,600 00	1,600 00	2,000 00	1,583 28
Interest and exchange.....	.....	8,101 85	.....	.....
Dividend May 15.....	.....	229,544 00	262,844 00	418,825 00
do Nov. 15.....	243,108 00	229,544 00	519,600 00	503,300 00
Stock distribution.....	946,900 00	.....	745,600 00	1,675,300 00
Transfer to sinking fund.....	437,023 63	109,437 50	102,664 84	129,000 00
Balance to next year.....	604,859 38	1,026,093 11	998,401 08	588,691 55

The stock distributions as above were made at the following dates: November, 1863, 20 per cent., \$946,900; November, 1864, 10 per cent., \$745,600; and November, 1865, 20 per cent., \$1,675,300.—Total, \$3,367,800.

FINANCIAL CONDITION—GENERAL ACCOUNT.

The balance sheet is dated May 1, and shows as follows for the four years last past:

	1863.	1864.	1865.	1866.
Capital stock.....	\$5,738,640 00	\$6,571,140 00	\$8,376,510 00	\$10,193,010 00
Funded debt, viz.:				
Old bonds convertible into 8 p. cents..	249,000 00	229,000 00	169,000 00	151,000 00
C. B. & Q. R. R. 8 p. ct. convertible..	441,000 00	3,633,000 00	467,000 00	356,000 00
C. B. & Q. R. R. 8 p. ct. unconvertible	3,034,000 00		3,167,000 00	3,169,000 00
C. B. & Q. R. R. 7 per plain bonds...	755,000 00	781,000 00	680,000 00	680,000 00
C. B. & Q. R. R. 2d mort. unconvertible	985,500 00	940,600 00	941,000 00	941,000 00
Scrip issued for N. C. 2d mort. bonds..	588,093 75	544,531 25	500,968 75	457,405 25
Operating accounts, viz.:				
Unclaimed dividends.....	1,849 00	1,223 00	1,353 00	1,201 00
Unpaid accounts and pay rolls	18,506 28	173,014 67	83,763 84	71,771 60
Bills payable.....	1,330 00	194,856 24	.....	.....
Due agents and connecting roads.....	275,198 30	192,510 32	440,142 55	131,234 18
Sinking fund.....	437,023 63	546,461 18	649,125 99	778,125 99
Income account credit.....	604,859 38	1,026,093 11	998,401 08	588,691 55
Total debt.....	\$13,179,500 34	14,837,833 72	16,464,264 66	17,518,440 57

Against which are charged as follows :

Road and Equipment	\$12,878,812 78	\$13,927 325 23	\$15,055,252 87	\$15,447,761 72
Materials and fuel on hand.....	170,678 11	531,756 56	537,057 28	895,548 59
Steam ferry and wharf boats ..	17,858 36	.....	....	26,767 08
Chicago teams.....	.....	.....	.....	4,500 00
Accounts and bills receivable.....	45,087 48	92,106 34	111,778 18	82,116 25
Burl. & M. River R R. preferred Stock	.....	.....	.....	59,976 59
Due from agents and connecting roads.	126,100 48	159,652 22	226,090 09	115,834 05
Due on account N. Cross Railroad .....	.....	.....	.....	270,000 00
Dividend declared and tax thereon.....	.....	.....	.....	526,473 68
Deposits in N. Y., Bost. and Treasury.	446,508 18	126,998 37	420,521 48	848,817 71
Deposit with Sinking Fund.....	... ..	.....	102,664 86	221,664 86
Total credit.....	\$18,179,500 84	\$14,237,838 72	\$16,464,264 66	\$17,518,440 57

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of the road per mile, the gross earnings, expenses and net earnings per mile, the ratio of expenses to earnings, and of net earnings to cost of road, and the rate of dividend for each of the four last past years :

	1862-63.	1863-64.	1864-65.	1865-66.
Cost of road per mile	\$24,068	\$28,367	\$27,633	\$28,619
Gross earnings per mile...	11,489	10,547	15,627	15,489
Operating expenses per mile.....	5,109	5,876	8,145	7,550
Net earnings per mile	6,380	5,171	7,482	7,839
Expenses to earnings per cent.....	44 47	50.97	52.12	48.91
Net earnings to cost of road, per cent.....	10.88	10.87	14.95	20.43
Dividends—cash.....	nine.	nine.	thirteen.	ten.
“ —stock.....	twenty.	.....	ten.	twenty.

The cost of road is estimated on a length of 363 miles for the two first years, and of 400 miles for the last two years. The earnings and expenses are estimated on lengths of 210 (average), 293, 300 and 400 miles for the years respectively as shown in the original returns. These lengths include the 30 miles of the Galena & Chicago R. R. in use before the completion of the Chicago extension in May, 1864, and for the last year the Quincy line 100 miles.

PRICES OF STOCK AT NEW YORK.

The monthly range in the price of shares at the New York Stock Board for the four years ending, April 30, 1866, has been as shown in the following table :

	1862-3.	1863-4.	1864-5.	1865-6.
M. y.....	64½ @ 78	109 @ 120	126 @ 142	102 @ 110
June.....	75 @ 80	116 @ 116	126½ @ 132	104 @ 109
July	74½ @ 78½	114 @ 116½	126 @ 132	109½ @ 112
August	78 @ 87	115 @ 126½	127 @ 131	111 @ 113
September.....	85½ @ 96½	120 @ 128	117 @ 127	112 @ 125
October.....	100 @ 119	122½ @ 131	111 @ 135	124 @ 130
November.....	58 @ 116	116½ @ 124½	115 @ 120	110½ @ 115
December.....	86½ @ 88	115 @ 117½	116½ @ 118	113 @ 115
January.....	99 @ 111½	118 @ 129	114 @ 120	109½ @ 114
Febrnar,....	106 @ 110	122 @ 133	115 @ 120	112 @ 112
March	106 @ 110	131½ @ 146	100 @ 118	113½ @ 115
April	107½ @ 112½	122 @ 149	108 @ 127	115 @ 117½
Year.....	64½ @ 119	108 @ 149	100 @ 142	102 @ 130

BOSTON AND MAINE RAILROAD.

The Boston and Maine Railroad is one of the two great lines (the Eastern Railroad being the other) which, in connection with the Portland, Saco and Portsmouth Railroad, extends from Boston, Mass., to Portland, Me. The roads owned by the company are as follows :

Maine Line, Boston, Mass., to South Berwick Junction, Me.....	74.26 miles
Branch Line, Junction (3 m. N. Boston) to Medford.....	2.23
do Junction (26 m. N. Boston) to State Line.....	2.61
do Junction (71 m. N. Boston) to Great Falls.....	2.95— 8.79 miles
Lines owned absolutely by B. & M. RR. Co.....	83.05 miles

Danvers RR., S. Reading (9 m. N. Boston) to N. Danvers.....	9.27	
Newburyport RR., S. Danvers to Bradford & Newburyport	26.97—	37.17 miles
Lines owned and leased by B. & M. R. R. Co.....		119.22 miles

On the main line and branches of the Boston and Maine Railroad there are 52 miles of second track and siding, and on the Danvers and Newburyport Railroads about 5 miles. Including this, the roads owned and leased by the company have a length of equivalent single track of 176 miles.

Of the main line, 35.78 miles are in Massachusetts, 37.22 miles in New Hampshire, and 1.26 mile in Maine.

The Danvers and Newburyport railroads, in connection with the southern part of the Boston and Maine Railroad, form a continuous line of about 40 miles from Boston to Newburyport, with a branch from Georgetown to Bradford. Both these roads are held under one hundred years' leases—the first from 1853, and the latter from 1860, under such arrangements that the Boston and Maine Railroad Company have no annual rents to pay for their use.

The Boston and Maine Company also operate the Dover and Winnepisseogee (late Cochecho) Railroad under a business contract at an annual rental of \$29,000, payable semi-annually—the contract, dated November 1, 1863, to run fifty years from that date. The rolling stock of this company consisted of 3 locomotives, 6 passenger and baggage, 45 freight, and 5 hand-cars, and was purchased by the Boston and Maine Company for the sum of \$40,075.

The Portland, Saco and Portsmouth Railroad is leased jointly by the Boston and Maine and the Eastern Companies for ninety-nine years, from January 28, 1843, for an annual sum equal to 6 per cent. on its cost—the two companies sharing equally in the profit and loss of operating.

The rolling stock owned by the company on the 31st of May, 1860 to 1866, has been as follows :

	1860.	1861.	1862.	1863.	1864.	1865.	1866.
Locomotives.....	32	32	36	33	36	37	37
Passenger-cars.....	54	54	53	53	56	63	63
Baggage-cars.....	18	18	19	19	19	19	19
Freight-cars.....	587	587	585	584	629	766	772
Total cars.....	659	659	657	656	704	845	854

This enumeration includes the engines and cars used in the company's business on the Portland, Saco and Portsmouth, and the Dover and Winnepisseogee Railroads.

OPERATIONS ON THE ROAD—EARNINGS, ETC.

The following statement shows the miles run by passenger and freight engines with trains, the number of passengers and of tons of freight carried, and the equivalent mileage thereof for the six years closing May 31, 1866 :

	1861.	1862.	1863.	1864.	1865.	1866.
Mileage passenger.....	449,152	409,437	434,669	452,638	470,707	479,996
" freight.....	184,019	163,373	176,805	210,144	243,484	239,654
" total.....	633,171	577,810	611,474	662,782	714,191	719,650
Passengers.....	1,868,797	1,620,855	1,845,812	2,047,812	2,658,885	2,809,432
" 1 mile.....	23,308,108	21,642,836	27,878,135	31,519,472	38,920,812	41,021,907
Tons of freight.....	273,440	193,368	239,718	271,308	275,149	310,396
" 1 mile.....	7,551,842	5,552,110	6,433,817	7,991,209	9,046,369	9,689,911

The earnings and expenses of operating the road in the same years are given in the following statement :

	1861.	1862.	1863.	1864.	1865.	1866.
Passengers	\$548,731	\$457,483	\$571,654	\$687,347	\$824,701	\$942,222
Freight	841,780	949,034	923,151	859,265	904,083	919,006
Ren'ts	12,345	13,822	20,871	18,967	25,309	18,730
Mails	9,735	10,623	10,466	9,984	11,902	11,234
Interest and dividends	8,559	2,956	21,338	8,866	14,729	19,987
For land, Saco & Portsmouth RR.	9,000	....	23,500	33,500	30,000	10,000
Total earnings	\$980,151	\$782,428	\$745,980	\$1,116,930	\$1,255,989	\$1,531,139
Operating expenses & other expenses	529,728	442,021	516,942	654,500	923,801	1,207,472
Earnings less expenses	\$450,423	\$340,407	\$229,038	\$462,430	\$332,188	\$323,667
Dividends paid	311,677	249,842	342,522	323,614	347,121	394,136
Balance: credit of income	\$88,746	\$41,065	\$86,516	\$138,816	\$95,067	\$34,531
Balance from previous year	499,116	587,802	628,027	715,443	838,612	56,429
Undivided earnings	\$587,862	\$628,867	\$714,543	\$853,612	\$833,684	\$390,960

The undivided earnings account is properly a balance of accounts—the stock and liabilities being less than the cost of the road, equipment and other assets by an equal amount. It represents in fact the amount of earnings put into construction, &c., and can only be made available by a distribution of stock to the shareholders, which is their legitimate due.

GENERAL ACCOUNT—ABSTRACT OF BALANCE SHEET.

The financial condition, as exhibited on the general ledger at the close of each fiscal year, is shown in the following statement :

	1861.	1862.	1863.	1864.	1865.	1866.
Share capital	\$4,076,974	\$4,076,974	\$4,076,974	\$4,076,974	\$4,076,974	\$4,076,974
Sundry balances	59,671	49,010	58,472	81,764	91,944	106,177
Deposit & amount payable on ac't of Newburyport RR. bonds	7,640	4,140	4,140	4,140	4,140	1,622
Notes payable	94,239	22,000	....	....	....	....
Tax on dividend .....	....	....	5,079	5,079	9,839	11,277
Dividend payable July 1	145,450	194,671	166,238	164,228	164,228	26,228
General reserve ac't—undivided earn'g's	587,862	628,927	715,443	853,612	833,684	582,960
Contingent account, &c. ....	....	....	....	....	....	97,500
Total	4,964,196	4,905,722	5,026,336	5,168,637	5,205,565	5,366,291

—against which are charged the following, viz. :

	\$	\$	\$	\$	\$	\$
Construction	3,881,870	3,880,870	3,880,350	3,883,171	3,883,171	3,963,254
Equipment	426,575	412,569	400,163	463,333	506,481	445,537
Property accounts	107,915	82,079	79,058	104,330	134,537	140,424
Cash & acc'ts current	76,966	59,404	191,581	242,053	208,400	259,571
B. and M. RR. stock	50,000	50,000	50,000	50,000	50,000	50,000
Danvers RR. bonds	71,000	71,000	73,000	73,000	73,000	73,000
Danvers RR. land damage account	758	758	....	....	....	....
Danvers RR., as per agreement	25,000	25,000	25,000	25,000	27,250	27,250
Newburyport RR., as per agreement	300,000	300,000	300,000	300,000	300,000	300,000
Gt. Falls & Conway RR. bonds	20,000	20,000	20,000	20,000	20,000	20,000
Suspense account	4,612	4,543	3,584	2,615	2,737	3,226
Total	4,964,196	4,905,722	5,026,336	5,168,637	5,205,565	5,366,291

The following, from the annual report for 1865–66, is a cheering comment on the past history of this company: “It is now thirty years since the first portion of this road was put into operation—the branch between Andover and Wilmington. Twenty years have elapsed since the road was fully completed from South Berwick Junction to Haymarket Square, in Boston—a distance of somewhat less than 75 miles. It is more than fifteen years since any new shares have been issued by the corporation. The number of shares actually sold, and on which dividends have been made, since 1850, is 41,557. These were sold for \$4,076,974.52—a dis-

ount from their par value of \$78,725.48. This is the actual capital de-
ived from stock. Since that time, the road has been kept in good run-
ing order, and has been greatly improved. The engines have been in-
reased very considerably in number and efficiency. We have more
ars of every description, and of superior workmanship. Until after 1850
he gross revenue never amounted to the sum of \$600,000 per annum.
t has gradually and steadily increased from that time to the present,
except in times of great depression in business, as in 1857-58, and 1861-
32." And speaking of the results of the last past year, the report says:
"Upon a full review of the operations of the corporation for the past year,
our directors have no hesitation in expressing their undiminished confi-
dence in the value of your investment. The experience of every year
ends to increase this confidence." Perhaps no better criterion of the
truth of these remarks can be presented than an exhibit of the dividends
that have been paid to the stockholders since the first partial opening of
the road. These have been as shown in the following statement :

DIVIDENDS PAID BY THE COMPANY.					
1—Oct. 1838..pr ct.....	3	20—Jan. 1848..pr ct.....	5	39—Jan. 1858..pr ct.	3
2—Apr. 1839.....	3	21—July ".....	4½	40—July ".....	3
3—Dec. ".....	4	22—Jan. 1849.....	4	41—Jan. 1859.....	3½
4—Apr. 1840.....	3	23—Jan. 1850.....	5½	42—July ".....	4
5—July ".....	1½	24—July ".....	3	43—Jan. 1860.. ..	4
6—Jan. 1841.....	3	25—Jan. 1851.....	3	44—July ".....	4
7—July ".....	2½	26—July ".....	3½	45—Jan. 1861....	4
8—Jan. 1842.....	3½	27—Jan. 1852.....	3½	46—July ".....	3½
9—July ".....	3	28—July ".....	3½	47—Jan. 1862.....	3
10—Jan. 1843.....	3	29—Jan. 1853.....	3½	48—July ".....	4
11—July ".....	3	30—July ".....	4	49—Jan. 1863.....	4
12—Jan. 1844.....	3	31—Jan. 1854.....	4	50—July ".....	4
13—July ".....	3	32—July ".....	4	51—Jan. 1864.....	4
14—Jan. 1845.....	3½	33—Jan. 1855.....	4	52—July ".....	4
15—July ".....	3½	34—July ".....	3	53—Jan. 1865.....	4
16—Jan. 1846.....	3½	35—Jan. 1856.....	3	54—July ".....	4
17—July ".....	3½	36—July ".....	3	55—Jan. 1866.....	5
18—Jan. 1847.....	3½	37—Jan. 1857.....	3	56—July ".....	5
19—July ".....	4	38—July ".....	3		

From the above it will be seen that only one dividend period has been
passed in the twenty-eight years included in the table, that of July, 1849,
and even that was compensated for by a double rate in January, 1850.

RECAPITULATION AND DEDUCTIONS.

In the following two tables will be found a recapitulation of the cost
of the road and equipment, and the earnings and expenses for the last six
years ; and, also, certain proportional deductions therefrom. The primary
figures are shown in the statement which follows :

Fiscal year ending	Cost of road and equipments.	Gross earnings.	Expenses and changes.	Nett earnings.	Dividends.
May 31, 1861.....	\$4,307,945	\$930,151	\$529,728	\$400,423	\$811,677
" 1862.....	4,242,939	782,428	442,021	240,407	249,342
" 1863.....	4,230,813	945,980	516,942	429,038	342,522
" 1864.....	4,351,559	1,116,930	654,500	462,430	338,614
" 1865.....	4,349,652	1,295,469	928,801	367,168	347,127
" 1866.....	4,412,811	1,521,159	1,066,678	454,481	390,186

From the above the following deductions are made, based on the length
of the company's owned roads aggregating 83 miles.

Fiscal year ending	Cost of road per mile	—AMOUNT PER MILE—			Expenses to earn'gs.	Profits to cost	Div.
		Earn'gs.	Expenses.	Profits.			
May 31, 1861.....	\$51,908	\$11,206	\$6,382	\$4,824	5.00	9.29	8
" 1862.....	51,723	8,824	5,328	3,496	60.8	6.76	6½
" 1863.....	51,576	11,397	6,22	5,169	54.64	10.02	8
" 1864.....	52,411	12,457	7,885	5,572	58.59	10.63	8
" 1865.....	52,887	15,614	11,190	5,424	71.69	10.26	8
" 1866.....	54,166	18,327	12,218	6,114	72.09	9.68	9

These figures cover and overlap one year, the war period.

MARKET PRICE OF COMPANY'S STOCK.

The annexed is a statement showing the monthly range of price of the stock of the company at the Boston Stock Board for four years:

	1862-63.	1863-64.	1864-65.	1865-66.
June	110½ @ 114	123½ @ 127	124 @ 129½	129 @ 134
July	109½ @ 112	124½ @ 126	126½ @ 140	119 @ 117½
August	110 @ 114	123½ @ 125	127 @ 130	112 @ 113½
September	113 @ 115½	125 @ 128	125 @ 133	114 @ 115½
October	116 @ 123½	127½ @ 129	125 @ 127	114 @ 117
November	121 @ 127½	126 @ 130	126½ @ 131	115½ @ 119
December	121 @ 127½	126 @ 129	125½ @ 132	114 @ 115½
January	123 @ 135	124 @ 128	124 @ 125½	114½ @ 117½
February	121 @ 135	125½ @ 132	118 @ 124½	117 @ 119½
March	121 @ 135	121 @ 134	106 @ 120	116 @ 119½
April	121 @ 126	122½ @ 134	109 @ 117	119 @ 123
May	125 @ 128½	123½ @ 137	113 @ 114	119 @ 123
Year	109½ @ 135	123½ @ 137	106 @ 140	109 @ 123

DEBT, FINANCES AND POPULATION OF WISCONSIN.

The exhibit of the financial condition of the State of Wisconsin for the official year ending September 30, 1865, is just published. From this document, and the four preceding annual statements, we have obtained the figures given below.

STATE DEBT.

The ordinary State debt is expressly limited by constitutional provision to a sum not to exceed \$100,000, except in case of invasion, or for the suppression of rebellion. Such was the sum total of State issues up to May, 1861, when the Legislature (assembled in extra-session) voted a war loan of \$1,000,000, and at the regular session of 1862 a further loan of \$200,000. In 1863 still another loan or an issue of certificates of indebtedness not exceeding \$350,000 was authorized, and also a loan of \$50,000 for the purpose of defraying extraordinary expenditures in the enlargement of the State capitol. Other laws were passed authorizing temporary loans from the trust funds, for which certificates were issued and deposited with the State Treasurer. The issues for war purposes under these several authorizations were as follows: In 1860-61 bonds to the amount of \$951,500; in 1861-62, bonds to the amount of \$473,100; in 1862-63, bonds \$75,400, and certificates \$220,000—total, \$295,400; in 1863-64, certificates \$385,000, and in 1864-65, certificates \$623,000. These sums amount to an aggregate of \$2,728,000. Of this amount there has been redeemed by returning to the Bank Comptroller the circulation of discredited banks (authorized by chapter 282, laws of 1865) State bonds to the amount of \$548,800, deducting which from the above aggregate, left the whole outstanding indebtedness of the State on the 30th September, 1865, at \$2,179,200, or including interest receipts (\$376,011) issued for discredited currency, at \$2,555,211.

Of this indebtedness there was held at the date named the sums (as follows) by the

School Fund	\$1,000,700
University Fund	53,000
Normal School Fund	25,000
Amount due Trust Funds	\$1,321,500

Bank Department for State Banks.....	77,200
" " for banks assigned to the State.....	57,500
Insurance Companies on deposit.....	366,000
Corporations and Individuals.....	341,800
Currency—Interest-bearing Receipts.....	376,011
Aggregate debt.....	\$2,555,101

The details of this indebtedness together with the amounts originally issued are shown in the following statement:

	Issued.	Out-standing.		Issued.	Out-standing.
Bonds due 1867.....	\$250,000	\$229,000	Bonds due 1886.....	\$ 00,000	\$17,000
" " 1868.....	50,000	50,000	" " 1887.....	100,000	52,000
" " 1877.....	100,000	72,700	" " 1888.....	100,000	68,000
" " 1878.....	100,000	46,500	Certif. " 1889.....	150,000	150,000
" " 1879.....	100,000	15,000	" " 1894.....	100,000	100,000
" " 1880.....	100,000	65,000	" " 1895.....	100,000	100,000
" " 1881.....	100,000	58,000	" " 1897.....	100,000	100,000
" " 1882.....	100,000	45,000	" " 1898.....	100,000	100,000
" " 1883.....	100,000	54,000	" " 1899.....	50,000	50,000
" " 1884.....	100,000	7,000	Tem Loans 1866.....	528,000	52,890
" " 1885.....	100,000	57,000	Int. Rec'pts 1866.....		376,011

In this exhibit and the previous one the total debt appears to amount to \$110 more than in the first statement; but this is so in the original.

The great bulk of the bonds authorized during the war had to be sold at a time of extraordinary depression in the stock markets. U. S. six per cent. bonds were selling at 84½ per cent.; Illinois six per cents at 77, and Michigan seven per cents at 82. The State Treasurer says that there was no option with the Loan Commissioners as to the time of selling the bonds. The necessities of the Commonwealth were such, that they had to be sold for whatever could be obtained. The law directed the Loan Commissioners to negotiate and contract for a loan or loans, on the most favorable terms which, in their judgment, could be obtained. Finding insurmountable obstacles in the way of raising the money in New York, the bonds were finally sold to the Wisconsin banks at what was called par; 70 per cent. to be paid on delivery of the bonds, and the remaining 30 per cent. in semi-annual instalments of one per cent. Eight hundred thousand dollars were disposed of on these terms. The next sale was made on similar terms, except that eighty per cent. was paid on delivery. Subsequent sales were all made at par, the whole amount paid on the delivery of the bonds. It was never supposed that the entire 30 per cent. left unpaid in the first sale would in all cases be paid. By the terms of the bonds given by the banks to secure the payment of this 30 per cent., the billholders were first to be fully protected. In quite a number of cases, in closing up banks, there has not been enough realized to redeem the circulation and pay the 30 per cent. bonds in full; yet, notwithstanding these losses, the State has realized, in the aggregate, on all the bonds sold during the progress of the war 88 per cent. There is due from banks still in good credit, on the thirty per cent. bonds, \$41,620. The banks which have assigned their bonds to the State, as provided by chap. 232, laws of 1865, have also assigned the benefits of their lost circulation, and the Treasurer thinks that enough will be realized from these two sources to make the aggregate receipts for the bonds sold ninety-two per cent.

VALUATION AND TAXATION.

The subjoined statement exhibits the quantity of taxable land and the value thereof, together with the valuation of city and village lots and

personal property, with the amount of taxes levied thereon for State purposes for the years 1860-65, both inclusive:

	Acres of Land.	Valuation.				Taxes levied
		Land.	City, &c. lots	Personal.	Aggregate.	
1860.....	17,616,174	\$115,877,397	\$41,178,877	\$27,506,761	\$184,563,035	\$37.30
1861.....	17,792,854	118,022,305	33,721,737	25,318,504	180,062,546	34.00
1862.....	17,298,681	120,579,322	37,596,038	24,321,861	182,507,221	32.51
1863.....	16,845,874	96,156,364	31,433,779	23,461,640	151,071,783	22.13
1864.....	16,845,496	96,039,611	32,916,999	23,962,719	152,929,329	21.41
1865.....	17,563,816	91,453,693	32,151,291	22,811,212	146,416,196	20.23

The taxes above stated are those for the service of the next succeeding year. Regarding the diminished valuation after 1862, it is proper to observe that the diminution was, in a great measure, the result of a change in the assessment law.

RECEIPTS AND DISBURSEMENTS.

The following statement exhibits the receipts into the treasury on account of all the funds and the disbursements on all accounts yearly, for the years ending Sept. 30, 1861-1865, both inclusive:

	1861.	1862.	1863.	1864.	1865.
Balance from previous year.....	\$187,301	\$243,961	\$312,317	\$397,926	\$107,621
Receipts.....	1,674,234	1,722,474	2,626,899	2,162,722	4,121,740
Total resources.....	\$1,861,535	\$1,976,405	\$2,939,106	\$2,550,648	\$4,229,361
Disbursements.....	1,617,604	1,664,183	2,581,180	2,442,027	4,051,577
Balance to next year.....	\$243,961	\$312,317	\$397,926	\$107,621	\$177,784

The above statement includes the several trust funds which are no charge upon the State. It also includes the Allotment Fund (so called), which is simply an agency through which the soldier in the field was enabled to send to his family at home a portion of his pay. Transfers from one fund to another have also been large, and of course to that extent have duplicated both sides of the account. Again, loans have been made, and in some part repaid. Allowing for all these, it is obvious that the actual receipts and payments have been much less than exhibited above, and to obtain them approximately, at least 25 per cent ought to be deducted from the statement yearly.

POPULATION.

Wisconsin enumerates her people every ten years, at a period intermediate with the successive Federal enumerations. The last taken, under State auspices and recently published, was that of 1865, being the third in succession of the decennial series. We find among a number of other State documents transmitted to us by his Excellency Lucius Fairchild, Governor of the State, a copy of this last census report.

When the late war broke out, and the calls for men to fill the ranks of the National army were responded to from every farm and workshop, the cry of "depopulation" was heard from all quarters. The progress of hostilities but increased the draft, and the prevailing idea became intensified. And yet, when the result is obtained it is found that instead of there being any deficit in the last five years' account, some of the States, Wisconsin for instance, show a generous increase. How shall we account for this result? It is certain that at least a moiety of our young men went to the "front" during the four years covering the period of the war. But it must also be remembered that the number of absentees from their homes at any one time was never more than a third of the aggregate number that entered the armies. In fact, we may say that communities everywhere were divided into watches that relieved each other at stated or irregular periods, and hence, with the exception of those who fell in battle or by sickness, the mass was not seriously or permanently diminished. For the absolute loss

he compensation was an increased immigration from foreign countries, tempted either by the freedom from conscription which the new comers were promised and the large wages accorded to labor of all kinds. Other compensating agencies were found in the early marriages which obtain in this new country and the abundance of food, which favors not only these personal associations, but also fosters a rapidity of procreation unknown in thickly-populated countries where the staff of life, in sufficient quantity, is beyond the reach of the working classes. France, for instance, does not increase in as large a ratio in fifty years as does Wisconsin in five years. Marriage in that country is delayed far into maturity, simply on account of wages and that which wages should purchase being inadequate to the wants of the family. No fear of such an unnatural exigency is entertained by the young people of the West, and hence the longer procreative term, by compounding numbers, rapidly fills up the country. Such have been the active agencies which have sustained Wisconsin (and probably many of her sister States) through the war. In 1860, when the last Federal census was had, the population of the State of Wisconsin was 775,881. According to the State census of 1865 it was found to be 868,937. Here we have an increase, notwithstanding war drafts and their naturally expected results, of 93,056, which is equal to an addition of twelve to every hundred of the population of 1860. Some few counties appear to have lost, but generally the increase has been remarkably uniform, though much greater in the urban than in the agricultural districts. The following table will illustrate the latter proposition:

	1860.	1865.	Increase.
Pop. of 9 cities of 5,000 and upwards.....	92,096	121,512	31.9 p. c.
“ 16 cities and villages (2,500 to 5,000).....	40,738	59,440	45.9 “
“ 9 cities and villages (1,250 to 2,500).....	11,291	17,819	58.8 “
Total, 34 cities and villages.....	144,141	198,271	37.4 p. c.
Agricultural districts	631,786	670,666	6.8 “

The tendency of the population to concentrate in cities and villages is more remarkable. Thus while the agricultural population has increased only 6.3 per cent. in the five years (1860-65,) the urban and village population has increased 37.4 per cent. The greater activity of business on account of the war will explain this centralization. Centralized labor was required while the war lasted in carrying on the peculiar commerce created by it. It will be seen, however, on reference to the tables of county and city population, (given below,) that the “railroad towns” have most largely partaken of the increase, and this will be permanent, while the increase of the agricultural towns will be redistributed to its normal localities in the open country.

Below we give the tables showing in detail the results of the census compared with the Federal census. The first gives the population of Wisconsin by counties, and the latter the population of the cities and villages as they were in 1860, and in 1865:

POPULATION OF WISCONSIN, 1860 AND 1865.

Counties.	1860.	1865.	Counties.	1860.	1865.
Dane.....	6,492	5,698	Manitowoc.....	22,416	26,762
Shland ..	515	256	Marathon.....	2,892	3,678
town.....	11,796	15,282	Marquette.....	8,283	7,827
Buffalo.....	3,864	6,776	Milwaukee.....	62,518	72,320
Barnett.....	12	171	Monroe.....	8,410	11,652
Bramet.....	7,895	8,638	Oconto.....	3,592	4,658
Bippewa.....	1,895	3,278	Outagamie.....	9,587	11,842
Bark.....	789	1,011	Ozaukee.....	15,682	14,882
Columbia.....	24,441	26,112	Pepin.....	2,892	3,002
Crawford.....	8,063	11,011	Pierce.....	4,672	6,324
Cass.....	18 (no returns)		Polk.....	1,400	1,677
Cane.....	43,922	50,192	Portage ..	7,507	8,145
Codge ..	42,818	46,841	Racine	21,360	22,806
Cook.....	2,948	3,068	Richland.....	9,730	12,186
Couglas ..	819	582	Rock.....	35,690	36,032
Cunn.....	2,704	5,170	St. Croix.....	5,892	7,255
Du Claire.....	2,162	5,231	Sauk.....	18,953	20,154

Fond du Lac.....	34,154	42,029	Shawano.....	229	1,393
Grant.....	31,189	33,618	Sheboygan.....	23,875	27,671
Green ...	19,808	20,646	Templeton.....	2,360	2,139
Green Lake.....	12,663	12,546	Vernon (Bad Ax).....	11,007	12,444
Iowa.....	18,967	20,657	Wa worth.....	23,496	27,773
Jackson.....	4,170	5,631	Washington.....	22,623	24,529
Jefferson.....	30,434	30,597	Waukesha.....	26,531	27,429
Juneau.....	8,770	10,012	Waupaca.....	8,351	11,322
Keno-sha.....	13,900	12,676	Waushara.....	8,779	9,492
Kewaunee.....	5,530	7,029	Winnebago.....	22,779	22,779
La Crosse.....	12,146	14,874	Wood.....	2,425	2,195
Lafayette.....	18,134	20,358			
La Pointe.....	353	269	Total.....	775,261	862,377

POPULATION OF CITIES AND VILLAGES.

Cities, &c.	Counties.	1860.	1865.
Milwaukee†.....(City.)	Milwaukee.....	45,946	55,421
Fond du Lac*†.....	Fon du Lac.....	5,431	12,671
Oshkosh*.....	Winnebago.....	6,054	10,779
Madison.....	Dane.....	6,579	9,936
Janesville*.....	Rock.....	7,641	9,421
Racine*†.....	Racine.....	7,731	9,941
Watertown*.....	Dodge and Jefferson.....	8,023	9,923
Sheboygan*†.....	Sheboygan.....	4,258	5,129
La Crosse*.....	La Crosse.....	3,394	5,527
Beloit*.....	Rock.....	4,173	4,946
Waukesha*.....(Vill.)	Waukesha.....	2,163	4,227
Beaver Dam*.....(City.)	Dodge.....	2,735	4,719
Manitowoc†.....	Manitowoc.....	3,055	4,177
Kenosha*†.....	Kenosha.....	3,903	4,436
Mineral Point*.....	Iowa.....	2,276	2,492
Jefferson*.....(Vill.)	Jefferson.....	2,006	2,669
Prairie du Chien*†.....(City.)	Crawford.....	2,470	3,125
Berlin*.....	Green Lake.....	2,440	3,531
Ripon*.....	Fon du Lac.....	2,010	2,609
Portage*.....	Columbia.....	2,770	3,173
Monroe*.....(Vill.)	Green.....	2,171	2,777
Green Bay*†.....(City.)	Brown.....	2,261	3,121
Waupun*.....(Vill.)	Dodge and Fon du Lac.....	2,110	3,265
Platteville.....	Grant.....	2,658	3,179
Appleton*†.....(City.)	Outagamie.....	2,227	3,465
Two Rivers.....(Vill.)	Manitowoc.....	1,327	2,609
Oconto.....	Oconto.....	686	2,253
Lancaster.....	Grant.....	1,900	2,121
Sparta*.....	Monroe.....	1,244	1,977
Steven- Point.....(City.)	Portage.....	1,533	1,779
Waterloo*.....(Vill.)	Jefferson.....	1,665	1,774
Hudson.....(City.)	St. Croix.....	1,518	1,465
Wausan.....(Vill.)	Marathon.....	543	1,236
Boscobel*.....	Grant.....	665	1,244
Horicon*.....	Dodge.....	.....	1,196
Mauston*.....	Juneau.....	.....	76
Juneau*.....	Dodge.....	.....	52
Total.....		144,145	186,271

The progress of Wisconsin in population since 1860, large as it has been under the retarding influences of a war period, has probably not exceeded that of the whole country. Notwithstanding the Depew census taken in 1865, no one believes that the great State of New York has been either retrograding or standing still. In Iowa, the report of the new census, a copy of which has just reached us, shows the population in 1865 to have been 754 732, whereas in 1860 it was only 674 913, being an increase in five years of 79 819, or 11.8 per centum, about the same as in Wisconsin. Taking this ratio of increase as that of the whole country, we will find that our aggregate population, which numbered in 1860 31,443,321, had increased in the five years ending June 1, 1865, to 35,216,519, or, in round numbers, the population of the United States was, at the date specified, 35,000,000. This increase, though somewhat inferior to that shown in the decennial periods previous to the war, is, nevertheless, highly encouraging. It indicates an existing strength in the country, a recuperative power which gives great promise for the future.

* Railroad cities and villages.

† Lake cities, &c.

‡ Mississippi cities, &c.

EXTENSION OF TEA CULTIVATION.

The Darwinian theory, in the attempt to explain some of Nature's mysterious laws, refers their solution to the natural selection of species, and represents the various families of animal creation as engaged in one life long—we might almost say perpetual—struggle for existence. The legend of Ormuzd and Ahriman, in Persian mythology, and of Vishnu the creator, and Seeva, the destroyer, in the mythology of the Hindoos, is typical, no doubt, of the two great agencies of Nature—the production of life and its destruction. But it is not only here that we find proofs of this innate antagonism; we see evidence of its existence in the vegetable kingdom. With less of poetical sentiment, but more practical directness, we recognise this struggle as one between production and consumption. To determine in what way, and to what extent, these two important elements act and re-act upon each other is a question affecting perhaps more than any other the welfare of the human race; and a consideration of some of the points bearing upon the question, though in the present instance having a more immediate reference to tea, may be regarded as not out of place in a journal professing to deal exclusively with articles of produce. At first sight it would appear as if no reliable relation between consumption and production could be established, from which conclusions might be deduced; for whilst the power of consumption might be presumed to be almost limitless, bounded in fact only by the extent to which population itself may be increased, it is as confidently believed that production could only be carried on under narrower limits, restricted by considerations of temperature, soil, and human labor. It is, however, easy to check consumption by prices, and statesmen, when they thought that if an impost upon any article of prime necessity were doubled, the revenue accruing from this impost must also be doubled, were arguing upon a fallacy. The possibility of a decrease in the consuming power was tacitly disregarded by them, and it is only within a comparatively recent period that the magnitude of the error underlying the assumption has been comprehended to its full extent, and the superior productiveness of low duties admitted as a fact without reserve or qualification. And, perhaps, at the present day, these antiquated and fallacious maxims might hold good, had it not been for the aid brought to bear upon the subject by statistical science, a science without which no study can be deemed profitable, no theory complete. Whilst opinions so erroneous prevailed on the subject of consumption, it was not likely that the views generally held on production should be more enlightened, and we find, accordingly, the most timid, and perhaps to some minds even alarmist, views on the subject of nature's productive powers. Of such a character was the opinion recently promulgated, as to the probable scarcity of coal within our island; and such, too, are the views put forward from time to time with regard to our future supply of tea—in all sincerity doubtless, but with a somewhat partial and exaggerated estimate of things as seen from one point of view exclusively. That increasing consumption brings with it an increasing production is surely as much a familiar fact as that an extended cultivation, by introducing competition, and so lowering prices, will encourage increased consumption. But to assert that consumption is overtaking production, or, what is the same thing, that production will fall short of the demand made upon it, is very much like

saying that the hinder wheels of a carriage must before long overtake the front wheels. The fact is, that these two agencies—consumption and production—are so inextricably interwoven in their action upon each other that it is impossible to estimate with exactness the precise value of the one without considering it in its relation to the other. As contrasted with animals of a lower organism, man is distinguished by his ability to live and thrive under the most opposite conditions of climate and temperature, from the poles to the equator; and this universality of existence is shared to almost the same extent by those plants and herbs which are more immediately necessary to his subsistence, such as corn, the potato, etc. Before long we may even be in a position to include tea in this list, as its cultivation is now being attempted in all quarters of the globe, in Asia, Australia, Africa, and America and it has also been attempted in Southern Europe, with results which gave strong hope of its profitable introduction into Spain and Italy. We propose to show that China is not the only place from which we can obtain our tea supplies. We do not mean to say that tea could be immediately produced in marketable quantities wherever the climate is suitable; but that, in the course of time, if prices were sufficiently tempting, we might become independent of China and Japan. Putting aside India, which could supply not only England, but the whole world with tea, we turn to other parts of the world where, as yet, tea cultivation is only an experiment:—"The important experiment of testing the climate and soil of South Australia, as regards their suitability for the China tea plant," says the *Melbourne Register*, "is about to be made on a somewhat extensive scale. The Government have agreed to pay Mr. Sterndale, who recently brought a quantity of tea seed to the colony, the sum of \$50 for one hundred weight of the seed, and they have instructed Dr. Schomburgh, superintendent of the Botanic Garden, to sow and distribute it, with the view of fairly testing its adaptability to this country. Accordingly, it has been determined by the governors of the Botanic Garden that one-half of the quantity shall be sown in the grounds of that establishment, and that the other half shall be distributed in various parts of the colony."

In South Africa, the experiment of tea cultivation seems to have been attended with the most complete success: "In another column," says the *Natal Mercury* of July 3rd, 1866, "will be found an advertisement offering for sale the first tea trees imported into the colony. That soil or climate is no bar to the successful production of tea in Natal these trees will abundantly prove. They were imported about ten years ago, and were then small plants, bearing from ten to fifteen leaves each, and since then have grown like native bushes, until they are now thick shrubs from six to eight feet high, and as much through. A small sample of tea made from these plants, with unsuitable appliances, was sent with the Natal collection to the London Exhibition in 1862, and obtained an award of commendation from the jurors. We should be glad to see this enterprise taken up with energy, now that an opening presents itself, and the article of tea added to the staple products of the colony."

And fifteen years ago an American author, Francis Bonvoge, descending on the future wealth of the United States, and the possibility of a decline in the cotton trade, proposed the substitution of tea, coffee, or indigo, in the place of the cotton plant. After an elaborate comparison between

China and America, considered with respect to climate, soil, and the price of labor, Mr. Bonyngé comes to the conclusion in which we fully concur, that in the event of any considerable reduction taking place in the price of tea, Europe, or we might say, England, could consume five or six hundred millions pounds of tea as readily as the one hundred millions, the quantity which represents our annual consumption. Mr. Bonyngé goes on to prove that its production in America could be profitably carried on at as low a sum as $2\frac{1}{2}$ to $3\frac{1}{2}$ cents per lb.—an opinion which we are not prepared to endorse so unhesitatingly. It is but fair to Mr. Bonyngé to admit that his remarks upon the suitability of America for the cultivation of the tea plant are curiously corroborated by one of the most eminent of modern botanists Professor de Candolle, from whose address, delivered this year at the Horticultural Exhibition at Kensington, we quote the following remarks:

“Botanical geography shows in the clearest manner the analogy between the vegetation and climate of certain regions; and, just as a celebrated geologist was able to say, beforehand, there was gold in such a part of New Holland, and gold was found there, so could the botanist say with equal certainty that the olive tree and the cork oak would succeed in Australia; that the eastern and temperate region of the United States was favorable to the growth of Chinese plants, more particularly to that of tea; and that that part of America included between San Francisco and the Oregon territory would, one day, supply wines as varied and as excellent as those European ones produced between Portugal and the Rhine. It is a singular fact that the two principal beverages of the civilized world, wine and tea, which produce similar stimulating effects, and which to a certain extent are the substitutes one for the other in different countries, present also in the mode of cultivating them the most marked resemblances and differences. The vine and the tea plant succeed best on stony, barren hill-sides. The two shrubs require a temperate climate, but the vine needs heat, and no rain during summer, whilst the tea-plant requires rain, and but little summer heat; the result of which is that these two species are almost geographically incompatible. Vine-growing countries will never produce tea, and *vice versa*.” The experiment which Mr. Bonyngé so warmly recommended had previously been tried with the most encouraging prospects of success by Dr. Junius Smith, in the year 1849, in South Carolina. Upwards of 500 plants of from five to seven years' growth were imported from China and India; and it is interesting to know that the general characteristics of the plant remain unchanged by the new climate and soil, and that the “leaf puts out at the same period of the year that it does in China.” (Simmonds' *Commercial Products*, p. 96). Dr. Smith estimated that he could produce tea in America at as low a price as 5d per lb. whilst the average cost in China at the ships's side is at least 10d per lb. This excessive cost, that is, apparently excessive, when contrasted with Dr. Smith's moderate estimate, arises almost wholly from the expensive nature of the means of transport, and the want of proper machinery. “In America,” says Simmonds, the authority just quoted, “the beating and rolling of the leaves, one-half of the labor, could be done by the simplest machinery, whilst the fuel could be economised by mean of flues.” It has been suggested too, with great plausibility, that it might be cultivated with success

in California, where there are already so many Chinese on the spot, whose labor and experience would be thus utilized, when the gold hunting mania had subsided. "The climate, soil, and surface of California," says Simmonds, "exactly answer the requirements for the growth of this plant. The time may yet come when the vast ranges of hills that traverse the State shall present terraces of tea gardens, cultivated by the laborious Chinese, and adding millions to the value of its products." We may add, that we heard some time since that tea was successfully grown in Florida. It also appears that the cultivation has been carried on in Brazil since the beginning of the century, and that the industry still exists, though on a small scale. The Dutch seem to have been the first to break in upon the Chinese monopoly of tea cultivation, by introducing the plant into Java in the year 1828; and in the year 1848 as much as 1,000,000 lbs. was shipped from that island. The tea plant grows also in Cochin China, Tonquin, and some of the mountainous parts of Burmah, but the quality is generally considered inferior.

The Indian crop may now be roughly reckoned at 4,000,000 lbs., but official papers show that the tea land on the slopes of the Himalayas alone is capable of producing 600,000,000 lbs. of tea annually. By way of an appropriate pendant to these remarks we turn to Mr. Henry Waterfield's able report on the moral and material progress of India during the year 1864-65, and find the following remarks on the subject of tea cultivation in India: "Considerable difficulty was experienced in obtaining information as to the progress of tea cultivation in Assam, owing to the reticence of the planters. According to the most accurate returns which could be procured, the extent of land under cultivation increased by 12,838 acres, and the out-turn of tea by 188,217 lbs. The number of proprietors was three hundred and sixty-six, of whom one hundred and forty nine were natives, but several of the latter were merely owners of grants, with nominal clearances on them. The estimated produce in 1865, if realized, will give, at the price obtained in England, receipts to the value of £300,000. The area taken up for tea planting in Assam is 516,475 acres, of which about a twelfth has been brought under cultivation. There seems ground for apprehension that, unless great activity is shown in importing laborers, some of the lands already cleared will run again into jungle, as the available number of workmen in the province does not give one person for each acre that is cultivated. There is, however, no indication of a decrease in the popularity of tea planting; and though not perhaps as profitable as it was to the first owners who prepared the estates, and sold them at an enormous advance on their outlay, it promises to afford a safe and reasonable profit to all those who have not paid an excessive price for their gardens.

"In Sylhet there was a very slight increase in the area cultivated, but the out-turn of tea exceeded that of the previous year by nearly 25,000 lbs. The soil of Chota Nagpore is considered to be as well suited for tea as that of Assam, but the climate is rather against a favorable development of the plant, though the results already obtained are sufficient to warrant a fair hope of success. The cultivation of coffee was also commenced in that division. The quality of the tea raised by the Rhainghur Company in the Hazareebagh district is pronounced to be excellent. The number of laborers embarked for the tea plantations in Assam, Cachar, and Sylhet

was 28,282. The act which was passed by the Bengal Council to regulate their contracts has been mentioned in another part of this report. Great care and consideration are now shown to the coolies by contractors, and from the few complaints which have been received, it is believed that they are well treated by the recruiters also.

“The yield of tea at the government plantations in the North Western provinces was 54,527 lbs., much of which went to the Unritsur market, or was exported to Affghanistan and Cashmere. The cultivation of tea has been commenced in Oude by some European gentlemen, who have purchased waste lands, and laid out large sums of money in their reclamation. There is hardly any available waste land suitable for tea in the Mu-ree hills, and the only way by which its cultivation in that part of the Punjaub can be secured is by inducing the peasantry to undertake it, for which purpose many thousands of plants were distributed from the government plantations to the adjacent villages. The cultivation in the Kangra valley being now placed on a sound basis, the government has determined to withdraw from the undertaking, and the plantations at Holta will be sold by auction. Upwards of seventy tons of tea seeds, and 1,769,033 seedlings were distributed gratis to planters during the year. In the Madras hills seven acres of ground have been planted with the Chinese and Assam varieties of tea, with the view of supplying seed to planters.” In this last statement Mr. Waterfield seems hardly to have realised the extent to which tea cultivation is being tried in Southern India. The omission from the report of Ceylon where tea is also being tried, with fair hope of success, is probably due to the fact that Ceylon is technically a crown colony, and is thus excluded from an Indian report, as India is under a different branch of the government. When these various facts are taken into consideration it will be seen that there is little chance of production being overtaken by consumption, and that the question of the introduction of tea cultivation over the greater part of the semi-temperate portion of the globe is simply one of price and of time.

It would appear, in short, as if the tea-plant, like the potato, on account of its being necessary to man as an article of food, were capable of being cultivated almost anywhere. Little fear then need be felt on the score of its possible scarcity in one particular country. Indeed, at present, the quantity that we derive from sources other than China itself amounts to no less than 14,000,000 lbs., about $12\frac{1}{2}$ per cent., or one-eighth of the total exports from China. When it is remembered that the sources out of China, from which these supplies are drawn are entirely new, it will, we think, be conceded that our arguments on the subject of tea extension are not chimerical, but founded on fact.

CHEAP BEEF—THREE PROCESSES FOR PRESERVING MEAT.

An official report on the different methods of curing has been laid before Parliament, from which we clip the following :

“Mr. John Morgan, Professor of Anatomy in the Royal College of Surgeons in Dublin, Baron Von Liebig, of Munich, and Mr. Sloper, of London, have, by simple and efficacious adaptations of the principles of science to material purposes, made discoveries which open new fields of industry, and which, if carried out with proper energy and spirit, will work incalculable benefits on mankind,

and, at the same time, develop the vast resources of these South American republics.

MORGAN'S PROCESS.

"The preservation of meat by Mr. Morgan's process can hardly be said to have gone beyond the stage of experiments, which have, however, been attended by the most signal success, and it is a source of regret that the working of the system should not have been more actively followed up, as all samples of the meat already forwarded to Liverpool have been eagerly purchased. Since the month of May of last year, when operations were commenced, five hundred thousand pounds of beef and mutton have been shipped to Liverpool, and met with a ready sale at four-pence per pound. The price, it is calculated, will be barely remunerative, owing to the heavy expenses attendant on the establishment of a new business, but it is believed that it will leave a fair profit when once the working is established.

"Mr. Morgan's process is based on forced infiltration, and he has adopted the circulatory system of the body as a means of introducing the brine into the tissues. The method is simple, demands but little labor, and no expensive machinery. The animal, if a sheep, is killed by a blow on the head, if an ox, by the insertion of the point of a knife at the back of the head, which severs the spinal cord and causes instantaneous death. The chest is then sawn open and kept so by a cross piece of wood, and the heart is exposed. An incision is made in the right ventricle and another in the left, the blood being allowed to escape: when it has ceased flowing, a pipe with a stopcock is introduced into the incision on the left ventricle of the heart, and so into the aorta or great vessel leading through the body, and is there firmly retained. This pipe is connected by a gutta serena flexible tube to a barrel containing the fluid to be injected, which is composed of water and salt (one gallon of brine to the cwt..) and a quarter to half a pound of nitre, carefully refined, and fixed at an attitude of from eighteen to twenty feet.

"The briny fluid being let on rushes out at the right side of the heart, after traversing all the circulatory organs, clearing the vessels and capillaries, and preparing the body for the second stage, which is performed by closing the incision in the right side of the heart with a sliding forceps, and thereby rendering the circulatory system perfect with the vessels free and ready to receive the preservative fluid. A few seconds suffice for the brine to infuse the whole body, when, by cutting the ear or hoof of the animal, a stream of clear pure brine, untainted by a single particle of blood, will instantly be seen to flow. An ox can be preserved in ten minutes, the pressure of the injection being from ten to twelve pounds to the square inch, and from twelve to fourteen gallons of the fluid are injected: of course, considerable less in a sheep."

LIEBIG'S PROCESS.

"Near the small town of Fray-Bentos, La Plata, is the establishment for the working of Baron Liebig's 'Extractum Carnis.' This process differs essentially from that employed by Mr. Morgan, for the meat, instead of being preserved whole, is reduced to an essence, and can consequently only be used as soup or stock. Its strength can be estimated from the fact that thirty-three pounds of meat are reduced to one pound of essence, which is sufficient to make broth for

one hundred and twenty-eight men. A tin containing one pound of this extract can be sold in London for 12s. 6d. Eight small tins will hold the concentrated alimentary matter of an entire ox, at a price of 96s., and will make over one thousand basins of soup—good, strong soup; one tea spoonful to a large cup of water, and either eaten alone or with the addition of a little bread, potato and salt, affords a good repast. The small bulk taken up by this excellent preparation recommends it especially to the army and navy; and its purity and entire absence from grease particularly adapt it to the use of hospitals and invalids. Hitherto, the almost exclusive exportation of this excellent extract has been to Germany, where its consumption is already very great; but a new company ('Liebig's Extract of Meat Company [Limited], 43 Mark Lane) is about to be formed in London, when it is to be hoped that this new article of food will be generally appreciated and adopted.

"The establishment at Fray Bentos will soon be worked on a very extensive scale, and branches formed at Buenos Ayres and Rio Grande, when an average of three hundred and fifty head of cattle to the three places will be slaughtered daily. The process by which the essence of the meat is extracted is simple, though requiring no small amount of labor and machinery. The meat of the animal, after being killed, is allowed to cool for twenty-four hours; it is then placed in round iron rollers (armed inside with points,) which, being revolved by steam, reduce the meat to a pulp. This pulp is thrown into a large vat with water and allowed to steam for an hour, and is then passed into a reservoir (shaped like a trough with a sieve at the bottom,) whence the liquid of the meat oozes into another vat from which the fat is drawn off. The pure gravy is then put into open vats supplied with steam pipes, and with bellows on the surface, which produce a blast and carry off the steam, thus helping the evaporation and preventing condensation. Here it remains from six to eight hours, when it is passed into a filtering vat and drawn off in the form of extract of meat; when cool it partially hardens, and is ready for packing in tins and exportation."

SLOPER'S PROCESS.

"The remaining process to be described is one of great interest, and has been lately patented by Messrs. McCall & Sloper. The patent has been conceded for the whole of South America to Messrs. B. Paris and B. S. Sloper, who are at present at Buenos Ayres actively employed in making experiments, when, should they prove successful, a company will be formed in England for the working of this industry. These gentlemen profess to be able to preserve meat in its fresh and raw state, which is to arrive in England, or elsewhere, in the exact condition as butcher's meat just killed, and be able to dispose of it at the rate of 4d. to 5d. per pound; and that moreover when taken out of the air-tight tins in which it is to be packed, and on being exposed in the air, it will keep twice as long as ordinary butchers' meat. The curing process is simple, and is based on the destruction of oxygen from the vessel in which the meat is packed. All bone is extracted from the meat, but the fat is left. From the tins in which it is placed the air is exhausted by means of water forced in at the bottom, which, when it reaches the top, is allowed to redescend and run off, and the vacuum thus left is filled from above by a certain gas, the composition of which is kept a profound

secret. The two holes at top and bottom are carefully soldered down, and the meat is then ready for exportation. The only risk it runs is from leakage, the smallest opening in the tin case proving destructive by allowing the gas to escape and the air to get in."

PETROLEUM IN NEW SOUTH WALES.

We have been favored by Mr. John Mackenzie, formerly of Wigan, whose name is already well known to the readers of the Journal, with a highly interesting account of what is now doing with the Hartley Boghead Cannel Coal. Mr. Mackenzie resigned his appointment of Government Examiner of South Australian Coal Fields, so as to be enabled to take up land containing the Hartley Boghead Cannel Coal, and work it (the Government not permitting their officers to embark in private enterprise, and of late also denying them the privilege of reporting on mineral property for private individuals), a satisfactory evidence of the value he attaches to the deposits in a commercial sense. Mr. Mackenzie writes that he learns from the Mining Journal that there is a great excitement about shale in England, and that we have numerous companies commencing to extract oil, now that the supply from the American oil wells is decreasing, and that the Americans have put 10d. a gallon duty on their refined oil. The Hartley Cannel is so rich, and the oil of such excellent quality, that they expect to be able to compete successfully with the refined oil in the English and other foreign markets. The cost of extracting oil, refining it, and delivering it in Sydney, is about 1s. 8d. to 2s. a gallon; but he estimates it at 1s. 8d.

There are four different companies making oil. Messrs. Samuels & Watt (Hartley Kerosene Company), from Cannel, yielding 140 to 150 gallons to the ton. The Australasian Mineral Oil Company, who have erected works in Sydney Harbor for extracting and refining oil, &c., and up to within a few weeks have been getting their Cannel coal from Mr. Russel's Stony Creek, near Maitland, but they find that the Stony Creek Cannel yields such a small quantity of oil per ton that they are letting the mine, and will have to get Cannel from or near Hartley. The third shale works are those of Mr. Graham, at Wollongong, the shale yielding about 40 to 50 gallons of crude oil to the ton. The fourth is a very small place at Penrith, 34 miles on the Bathurst side of Sydney, where Mr. Wilson gets Hartley Cannel, and extracts and refines the oil from it. Hartley is destined, in his opinion, to be the greatest shale and Cannel coal producing district in New South Wales, or he would not have relinquished his Government appointment to take up land there. His reasons for saying so are, that having been over the greater portion of the New South Wales coal basin, he is of opinion that the Cannel, as rich as it is at Hartley, is not very likely to be found in places so conveniently and economically situated for railway transit to the sea coast; and there are not many places where the seam crops out to the day where it could be worked to a profit.

Mr. Mackenzie has inclosed a tracing (which can be seen at our office), showing the land taken up at Hartley by different persons, and the places where the Cannel is proved, and where the seam has changed into stone, ironstone, fire-clay, &c. The Great Western Railway will be opened to Hartley in about 18

months from now. The price for taking the refined oil from Hartley to Sydney, a distance of about 74 miles, will, it is anticipated, be 2d. or 3d. per gallon. The seam of Cannel varies very much in its character, like the Boghead Cannel of Scotland, which, from what he had read, appears to be in a patch of $1\frac{1}{2}$ to 2 miles in diameter, and finding other patches in Australia, leads him to think that there may also be other patches in Scotland.

The largest patch at present proved at Hartley appears to be in the Grose, and this Mr. Mackenzie has acquired. The Sugar Loaf Patch is about 21 miles diameter. Mr. Mackenzie's party are now working the Cannel on their 170 acres (or Sugar Loaf Patch), and they had just proved a second seam of Cannel on the same patch, although the seam had only been sought the same morning. It is very curious to see the way other seams of coal gradually change to good Cannel—*London Iron Trade Circular.*

A WONDERFUL CEMENT FOR IRON.

A private view of an exhibition of a most interesting character took place about the middle of August, at the Albion Works, Battersea, England. The exhibition consisted of a number of practical illustrations of the uses to which a certain description of cement is applied, having for its principal ingredient more or less of a particular gum or substance, called the Zepipe, which for some years past has been identified with the name of Colonel Szerlemey. It appears to be a most protean substance, for it holds on with wonderful tenacity to timber, glass, brick, cement; and last, though by no means the least of its remarkable qualities, it will unite iron surfaces together as completely as though they were welded. The cement has the quality of being perfectly water and air tight. It can be conveniently used, and hardens with great rapidity. About five minutes is the maximum of time required for it to harden thoroughly. Of the value of such a material as this for engineering and building purposes it is impossible to speak too highly. Our professional readers will at once perceive a variety of uses connected with railway and hydraulic works to which a material of this kind would be of the greatest possible value. Tunnels and bridges, docks and quay walls, could be constructed by its use in considerably less time and at greatly reduced cost; and with respect to sewers, an immense improvement would be effected in employing a material on which fluids produce no impression. Platforms and railway stations could be provided of equal strength to the present and with less consumption of materials. The invention is one of that character with respect to which there can be no mistake, and any person who sees may judge for himself of the properties of the cement, and we shall be greatly mistaken if some of our large contractors do not very shortly seek to test the practical value of this remarkable "iron cement."

On previous occasions, we have described the remarkable preservative qualities of the Zepipe composition on stone and brick, and the extraordinary effects which the application of one part of the process has upon paper, converting it into a substance harder and more enduring than oak, and capable of being substituted for metals in many of the uses to which they are applied in the arts and manufactures. Following out the line of investigation into the chemical con-

stituents of the substances which he employs, the gallant colonel has now succeeded in producing some results, which, if they had not been shown under our inspection, we should have hesitated to believe possible. By combining various substances which may be readily obtained in large quantities, and at almost nominal prices, the ingenious inventor has made what he calls this: "iron cement," and, truly, it is an iron cement. It is a cement which, easily applied, becomes in a few minutes hard as iron, and, so far as we are aware, this is a quality which is not possessed by any other substance—that of complete and perfect cohesion to iron. At the factory at Battersea, we saw two large plates of iron held together so firmly as to defy all attempts at separating them. The plates had, in several parts, been fractured by the attempt to separate the two surfaces, but they still remain firm and immovable. Two plates of iron were cemented together in such a manner as that the lower one could have suspended to it the weight of several tons; the projecting corners of the lower plates to which the weights were attached were bent and curved, and the upper and lower plates had "buckled," but they still remained held together by the thin layer of iron cement as though they were but one plate. By the side of this, a plate has been made up of alternate thin sheets of iron and planks of timber, and the wood and the iron adhered as firmly as in the case when iron surfaces only were exposed to the action of the cement. A third test consisted of thin sheets of iron with alternate layers of paper, which had been previously coated with another kind of composition of M. DeSzerlemey's. There, the same wonderful cohesion existed. A sheet of glass was fixed to the edge of an iron bar by this extraordinary cement, and was as firmly held as the iron or wood or prepared paper of the previous experiments with iron and wood. Many other equally curious and startling experiments were shown, and, among these, a novelty in the way of a house some forty feet in length, the sides, flooring, and roofing of which were entirely of paper. The exhibition is certainly a most interesting and instructive one.—*London Exchange.*

PROPOSED WATER SUPPLY FOR LONDON.

At present a large portion of the water used in London, amounting to one hundred and eight million gallons daily, is obtained by pumping from rivers, streams and wells, by means of steam engines. The strength of the engines so employed is ten thousand seven hundred and ninety horse power. It is now proposed to abandon several of the existing water works, and to bring a supply equal to the wants even of the three million persons who now reside in London, and of the four million five hundred thousand persons who are expected to reside there at the end of the present century, from the sources of the river Severn and the mountains of Wales across the whole breadth of England.

A plan of water supply for London just put forward by Mr. John Frederick Bateman, C. E., is to construct an aqueduct from Marten Mere, on the borders of Wales, to the high ground about ten miles north of London. This aqueduct is to be one hundred and eighty-three miles in length, and of sufficient size to convey a supply of two hundred and twenty million gallons of water to London daily, which is equal to twice the present supply. The lowest point in the res-

voirs from which this aqueduct is to be fed on the Welsh border is to be four hundred and fifty feet above the level of Trinity high-water mark. This aqueduct is to be conducted across the river Severn close to the town of Bridgenorth, and to pass near to or within a few miles of the Stourbridge, Bromsgrove, Hen-on-Arden, Warwick, Banbury, Buckingham, Aylesbury, Tring, Berkhamstead and Watford. The aqueduct is to end at Stanmore, a few miles north of London, where extensive service reservoirs are to be constructed at an elevation of two hundred and fifty feet above Trinity high water mark. From these reservoirs the water will be delivered to the city at "high pressure," and under a constant supply, amounting, when all the works are completed, to two hundred and twenty million gallons a day. The cost of supplying the quantity of one hundred and thirty million gallons a day to London is estimated at £8,600,000, and that of supplying the total quantity of two hundred and twenty million gallons at £10,850,000. The existing London water works cost £8,614,212; they produce a gross income of £702,059, and a net income of £404,585.

The works will be exceedingly simple in their construction, presenting no difficulties of an engineering character. No embankment or reservoir will be more than eighty feet in height. One of the reservoirs on the river Vyrnwy will, by an embankment seventy-six feet in height, form a lake five miles in length, and will contain one thousand and eighty-nine million cubic feet of water. Another, on the river Banw, by an embankment eighty feet in height, will form a lake four miles in length, and contain nine hundred and forty million cubic feet, and a third in the same district, by an embankment of the same height, will contain even hundred and thirty-two million cubic feet. Amongst the reservoirs on the river Severn will be one which, by an embankment seventy-five feet in height, will contain two thousand two hundred and thirty million cubic feet of water, being fifty times greater than the available water in Loch Katrine.

CENSUS OF IOWA.

The census of Iowa for 1865 has been transmitted to us by His Excellency William M. Stone, Governor of the State. Besides the population by townships the volume contains the agricultural statistics for the same year and miscellaneous returns of schools, &c. As a mark in the progress of the State it is an important document.

Iowa is one of those States which has sprung up from the Western wilderness in a very few years. Thirty years ago, its inhabited portion was confined to the vicinity of Dubuque. In 1838, it was taken from Missouri and erected into a separate territory and in 1845 had so far advanced in population as to entitle it to admission into the Union. The first recorded census was taken in 1836, in which year there were within the limits of the territory covering the present State 10,351 inhabitants. Within the same limits in 1865 there were found 754,732 inhabitants. The successive steps towards this development have been

as follows :

1836 (State Census).....	10,351	1850 (U. S. Census).....	192,214
1838 (do do).....	22,859	1852 (State Census).....	227,713
1840 (U. S. Census).....	48,112	1854 (do do).....	326,014
1844 (State Census).....	71,650	1856 (do do).....	502,414
1846 (do do).....	78,968	1858 (do do).....	632,549
1847 (do do).....	116,204	1860 (U. S. Census).....	674,913
1849 (do do).....	130,945	1865 (State Census).....	754,732

Here we find a population beginning at 10,000 multiply its number by nearly eight in ten years; in the next ten years the population of 1846 was multiplied by more than six and in the nine years ending with 1865 it increased thirty-three per centum. The increase from 1860 to 1865, covering a period of civil war, has been somewhat retarded, but with highly satisfactory results shown in the tables which follow :

POPULATION BY COUNTIES.

Counties.	1860.	1865.	Counties.	1860.	1865.
Adair.....	984	1,071	Johnson.....	17,573	24,222
Adams.....	1,538	1,818	Jones.....	12,206	16,571
Alamakee.....	12,287	13,957	Keokuk.....	12,273	12,800
Appanoose.....	11,931	10,728	Kossuth.....	416	84
Audubon.....	454	540	Lee.....	29,332	28,200
Benton.....	8,496	11,245	Linn.....	18,947	21,200
Black Hawk.....	8,244	12,306	Louisa.....	10,370	10,904
Boone.....	4,232	5,236	Lucas.....	5,766	6,511
Bremer.....	4,915	7,224	Lyon (new).....	.....	.....
Buchanan.....	7,916	10,037	Madison.....	7,330	8,211
Buena Vista.....	57	.....	Mahaska.....	14,816	17,100
Butler.....	2,724	5,906	Marion.....	16,573	17,700
Calhoun.....	147	224	Marshall.....	6,015	6,700
Carroll.....	281	400	Miller.....	4,431	4,700
Cass.....	1,612	1,806	Mitchell.....	3,400	4,100
Cedar.....	12,949	14,041	Monona.....	832	1,000
Cerro Gordo.....	940	1,311	Monroe.....	2,617	2,600
Cherokee.....	58	64	Montgomery.....	256	1,000
Chickasaw.....	4,236	5,855	Muscataine.....	16,444	17,000
Clarke.....	5,427	5,716	O'Brien.....	8	.....
Clay.....	52	.....	Osceola.....	.....	.....
Clayton.....	20,728	21,922	Page.....	4,419	4,500
Clinton.....	18,938	22,405	Palo Alto.....	182	1,000
Drawford.....	883	574	Plymouth.....	140	1,000
Dallas.....	5,244	5,846	Pocahontas.....	103	1,000
Davis.....	13,764	13,123	Polk.....	11,635	14,000
Decatur.....	8,677	8,052	Pottawattamie.....	4,968	5,300
Delaware.....	11,024	12,508	Poweshiek.....	5,066	5,300
Des Moines.....	19,611	19,804	Ringgold.....	2,923	2,900
Dickinson.....	180	300	Sac.....	265	24
Dubuque.....	81,164	83,073	Scott.....	28,469	28,000
Emmett.....	105	368	Shelby.....	818	900
Fayette.....	12,073	18,126	Sioux.....	10	1,000
Floyd.....	2,744	4,886	Storey.....	4,061	4,300
Franklin.....	1,349	1,899	Tama.....	5,265	5,300
Fremont.....	5,014	5,698	Taylor.....	2,500	2,500
Greene.....	1,374	1,659	Union.....	2,012	2,000
Grundy.....	793	1,332	Van Buren.....	17,061	17,000
Guerrick.....	3,058	2,219	Wapello.....	14,513	14,500
Hamilton.....	1,600	2,023	Warren.....	10,281	10,000
Hancock.....	179	292	Washington.....	14,235	14,000
Hardin.....	5,440	6,813	Wayne.....	6,409	6,400
Harrison.....	2,621	4,205	Webster.....	2,504	2,500
Henry.....	18,701	17,816	Winnebago.....	709	700
Howard.....	2,165	2,871	Winneshek.....	12,943	12,000
Humboldt.....	332	606	Woodbury.....	1,119	1,000
Ida.....	43	.....	Worth.....	754	1,000
Iowa.....	8,029	10,258	Wright.....	653	600
Jackson.....	18,498	19,097			
Jasper.....	9,833	12,095	Total, 1860.....	674,913	
Jefferson.....	15,098	14,729	Total, 1865.....		754,732

From the above, it appears that five counties made returns in 1860 that did not report in 1865. These are Buena Vista, Clay, Ida, O'Brien and Sioux, which together gave, in the first named year, the insignificant population of 170. Leaving these out of the reckoning, the census of 1860 gave a total for the State of \$674,743, and that of 1865 a total of 754,732, showing that in the quinquennial period there has been an increase of 79,989, or 11.85 to every hundred at its commencement.

POPULATION OF CITIES, TOWNS AND VILLAGES.

Places.	1860.	1865.	*	Places.	1860.	1865.	*
Dubuque	13,000	15,814	15,814	Indian Village	619	1,081	1,081
Davenport	11,267	16,832	14,068	Bel evue	1,064	2,043	1,058
Hurlington	6,706	10,039	8,018	Le Claire	1,442	1,047	1,047
Des Moines	3,965	5,722	5,722	Guttenburg.....	1,104	1,004	1,004
Iowa City	5,214	7,106	5,417	Knoxville	2,371	3,674	1,087
Juscatine	5,34	5,272	5,272	Albia	620	941	941
St. Pleasant.....	3,533	4,055	4,035	Keosauqua.....	....	....	888
Wassons	2,703	3,292	3,107	Wapello	992	1,761	880
Waskaloosa	4,343	5,654	3,042	Sioux City.....	767	865	865
Wint on	1,816	3,168	2,450	Glenwood	613	1,247	728
Witumwa	1,632	2,339	2,359	Sabula (T).....	....	....	700
Wedar Rapids.....	1,830	2,167	2,167	Marengo.....	1,233	1,275	689
Columbus	1,915	2,018	2,048	Farm ington	2,641	1,443	673
Independence.	1,395	2,017	2,017	Camanche	1,468	1,221	672
McGregor	1,889	1,908	1,008	Walton (T)	1,24	1,525	671
Meha	1,644	1,742	1,742	Princeton.....	1,423	1,450	534
Fairfield	1,692	3,041	1,741	Salem (T)	1,356	1,800	524
Maquoketa	1,090	2,026	1,391	Bonaparte .....	....	....	469
Eddyville	917	1,361	1,361	New London (T).....	1,993	1,754	459
Naverly (V) .....	....	....	1,278	Union City.....	834	395	395
DeWitt	2,261	2,132	1,169	Newburg (V)....	....	....	250
Pipton (T).....	1,190	1,096	1,096	Queen City.....	212	239	239

The third column, headed thus*, shows the population of cities within the proper corporate limits The two first columns give the population of the township, including the city. This arrangement has been adopted because, in the Federal census of 1860, the city population is not distinguished from that of the township, and hence, in order to compare the two censuses, the population of the whole territory occupied by township and city is necessarily given for both years.

It appears from this table that Iowa has now three cities of upwards of 10,000 inhabitants; three of less than 10,000, and more than 5,000; eight of less than 5,000 and more than 2,000, and thirteen of less than 2,000 and more than 1,000, and a number of cities, towns and villages of inferior population. In this enumeration city population alone is included. Comparing the township and city population of the principal places in 1860 and 1865, the following results are obtained:

	1860.	1865.	Inc.
3 cities, &c., of 10,000 and upwards.....	30,973	42,785	11,812
3 " of less than 10,000 and more than 5,000.....	14,503	18,100	3,597
8 " of less than 5,000 and more than 2,000.....	19,123	24,760	5,638
12 " of less than 2,000 and more than 1,000.....	17,843	22,155	4,312
Total; 26 cities, &c.....	81,941	107,800	25,859

—showing an increase of 31.57 per cent. for the quinquennial period. This is nearly three times the general average of the whole State. The rate of increase of the three first-class cities was 38 14 per cent.; of the three second-class cities, 24 20 per cent., of the eight cities of 5,000 to 2,000, 29.52 per cent.; and of the twelve cities of 2,000 to 1,000, 27.81 per cent.

BOSTON SEMI-ANNUAL DIVIDENDS.

Mr. Joseph G. Martin of Boston, sends us the following with regard to the dividends payable in that city, &c.

BOSTON BANK DIVIDENDS.

The following table presents the capital of each Bank, together with the last two semi-annual dividends, and the amount payable on Monday, October 1.

Also, the market value of each stock, dividend on April 1, 1866, and at the present time.

A noticeable feature of the Bank dividends at this time is the great uniformity as compared with April last, the only change being old Boston Bank from 5 to 6, and Webster 5 to 4 per cent. A like instance has never before occurred among the banks in this city and it is doubtful if it ever will again. The payments are such as cannot fail to give satisfaction to the shareholders and are alike creditable to the bank managers. Of the forty-five Banks in the table, twenty-four divide 5 per cent., eight 6 per cent., eight 4 per cent., and one each of 7½, 7, 4½, 3½ and 3 per cent., averaging a fraction over 5 per cent.

In contrast with the current rates of dividends we present those of twenty to twenty-five years ago, when very few bank shares were selling above par. The following comprises all the banks then in operation.

	1842.	1843.	1844.	1845.		1842.	1843.	1844.	1845.
Atlantic.....	3—3	3—2	2½—2½	3—3	Mechanics.....	3—2	2½—3	3—1	3—½
Atlas.....	2—2½	2—2	0—3	3—3	Merchants.....	3½—3½	3—3	3—3	3½—½
Boston.....	3½—3½	3½—3½	3½—3½	3½—3½	NewEngl'd.....	3—3	3—3	2—3	—1
City.....	0—2	2—1½	2½—2½	3—3	North.....	0—2	2—2	2—2½	3—1
Columbian.....	3—3	3—2	2—2½	2½—3	Shawmut.....	3—3	2½—2	2—2½	3—1
Eagle.....	0—0	3—2	2½—3	3—3½	S.&Leather.....	3½—2½	3—3	3—3	3—½
Freeman.....	3½—3½	3½—3½	3½—3½	3½—3½	State.....	3—3½	3—2	2—2½	3—1
Globe.....	3—3	3—3	3—3	3—3	Suffolk.....	4—4	4—4	4—4	4—1
Granite.....	2½—2	3—2	2—3	3—3	Traders.....	0—0	0—0	2—1	3—1
Hamilton.....	3—3	3—2	2—2½	3—3	Tremont.....	3—0	2—2½	2½—2½	3—1
Market.....	3—3	3—3	3—3	4—4	Union.....	3—3	3—2½	2½—2½	3—1
Massch'ts *.....	7—7	7—5	5—6½	7—7½	Washingt'n.....	3—2½	1½—2	1½—1	2—1

Bank shares are in good favor and command high rates, private sales being sometimes made at a figure materially above quoted transactions. In consequence of the small number of shares put upon the market for sale it is extremely difficult to price them accurately.

The Government has no interest maturing Oct. 1, but on the 1st of November \$23,292,684 will be due on \$776,422,800 Five-twenties outstanding Sept 1.

The State of Massachusetts pays its interest in coin. The city of Boston will pay interest in coin on the first day of October only, and after that claims the option to pay gold or its equivalent, at the market price on that day.

Interest is also due Oct. 1 on Roxbury City 6 per cent bonds at the Treasurer's office, or Suffolk bank.

National Banks of Boston.	Capital October, 1866.	Div'ds April. Oct. 1866. 1866.	Amount Oct., 1866.	Stock div'd on— April, Oct. 66. 66.
Atlantic, National.....	\$750,000	5 5	37,500	116 118
Atlas, National.....	1,000,000	5 5	50,000	110 113
Blackstone, National.....	1,000,000	5 5	50,000	123 126
Boston, National.....	750,000	5 5	37,500	106 113
Old Boston, National, par \$50.....	900,000	5 6	54,000	69 78
Boylston, National.....	500,000	6 6	30,000	123 130
Broadway, National.....	200,000	5 5	10,000	105 114
City, (National).....	1,000,000	4 4	40,000	104½ 114
Columbian, National.....	1,000,000	5 5	50,000	110 119
Commerce, (National Bank of).....	2,000,000	5 5	100,000	116 125
Continental, National.....	500,000	5 5	25,000	106 117
Eagle, (National).....	1,000,000	5 5	50,000	112½ 120
Elliot, National.....	1,000,000	5 5	50,000	112½ 122
Everett, National.....	200,000	3 3	6,000	100 106
Exchange, (National).....	1,000,000	6 6	60,000	125 130
Faneuil Hall, National.....	1,000,000	5 5	50,000	126 134
First National.....	1,000,000	5 5	50,000	125 135
Freeman's, National.....	400,000	5 5	20,000	113 120

* Massachusetts par value \$250. Dividends given in dollars per share.

Globe, National.....	1,000,000	5	5	50,000	130	135
Hamilton, National.....	750,000	6	6	45,000	120	125
Hide and Leather, (National).....	1,000,000	7	7	70,000	135	140
Howard, National.....	750,000	5	5	37,500	102	110
Market, National.....	800,000	4	4	32,000	105	110
Massachusetts, National, par \$250.....	800,000	5	5	40,000	115	120
Maverick, National.....	400,000	4	4	16,000	100	105
Mechanics' National.....	250,000	5	5	12,000	110	115
Merchants' National ...	2,000,000	5	5	150,000	117	123
Mount Vernon, National	200,000	5	5	10,000	108	120
National Bank of Redemption.....	1,000,000	4	4	40,000	...	...
New England, National.....	1,000,000	5	5	50,000	122	130
North, National. ...	1,000,000	5	5	50,000	108	115
North America, (National Bank of).....	1,000,000	4½	4½	45,000	104	108
Republic, (National Bank of the).....	1,000,000	5	5	50,000	120	130
Revere, (National).....	1,000,000	6	6	60,000	130	140
Second National.....	1,000,000	7½	7½	75,000	146	150
Shawmut, National.....	750,000	5	5	37,500	108	117
Shoe and Leather, National.....	1,000,000	6	6	60,000	135	140
State, National.....	2,000,000	4	4	80,000	110	115
Suffolk, National.....	1,500,000	4	4	60,000	120	118
Third National	300,000	4	4	12,000	104	118
Traders' National.....	600,000	3½	3½	21,000	96½	103
Tremont, National.....	2,000,000	5	5	100,000	117	125
Union, (National).....	1,000,000	5	5	50,000	118	123
Washington, National.....	750,000	6	6	45,000	120	125
Webster, (National).....	1,500,000	5	4	60,000	110	115
Total, April, 1865.....	\$12,550,000			2,138,500		
Total, Oct., 1865.....	42,850,000			2,622,500		
Total, April, 1865.....	40,550,000			2,384,000		

MISCELLANEOUS DIVIDENDS.

The following is a statement of the dividends and interest money to be disbursed at the dates given in October, and all payable in this city. The Berkshire Railroad, American Shoe Tip Company, Liberty Square Warehouse, Middlesex Mills, Mount Pleasant Coal, Boaring Brook Coal and Sallisbury Mills are quarterly. In addition to these, early in October is the usual period for payment of dividends by the Boylston, City, Howard, Manufacturers', Merchants', National, Neptune, Suffolk and Washington Insurance Companies, as also the Boston Exchange and Hamilton Woolen Companies, quarterly—adding, in round numbers probably \$150,000 and making the total to be paid out in October over \$3 300,000, including bank dividends. The Lawrence manufacturing Company passes its dividend.

The Ogdensburg and Lake Champlain Railroad pays its first dividend on the eight per-cent. preferred stock, which is intended eventually to absorb the first mortgage bonds, and the directors now offer to the holders of these bonds, five thousand shares of preferred stock, free from government tax, in exchange for five hundred thousand dollars of bonds, at par, without interest, one share of stock to be given for a hundred dollar bond. This exchange is deemed a desirable one for the bond holders, and will doubtless be promptly availed of.

Pay- able Oct.	Names of companies, &c.	Capital, Oct., '66.	Divid'ds—		Amount Oct., '66.
			April, 1866.	Oct., 1866.	
5....	American Shoe Tip Co	\$1,200,000	2½	2½	\$30,000
21....	Bangor City (Municipal) 6's	Int. abo't.	3	3	10,000
2....	Bangor (RR issues) 6's, '74.....	500,000	3	3	15,000
1....	Bath City 6's, 1891.....	200,000	3	3	6,000
10....	Berkshire Railroad stock	320,500	1½	*1½	5,600
1....	Boston City bonds	Interest.	..	..	90,000
12....	Boston Five Cents Sav. Bank.....	Interest.	..	2½	115,000
12....	Boston Penny Savings Bank	Abt 90,000	..	2½	2,250

* For Notes see page 302.

1.... Boston Manufac. (par 750).....	600 shar's	\$50†	\$123½	\$1.00
1.... Boston Steam Flour Mills.....	100,000	3	3	3.00
1.... Boston and Sandwich Glass.....	400,000	12½	10	4.00
1.... Bullion Consolidated Co.....	800,000	..	25	1.00
1.... Cambridge Horse Railroad.....	727,800	4½	24½	22.21
1.... Chelsea Horse Railroad pref.....	110,000	4	24	4.96
1.... Elliot Fire Insurance.....	200,000	6	6	12.00
1.... Granite Railway.....	250,000	3	..	..
1.... Han and St. Jos. I. G. bonds.....	Interest.	3½	3½	6.00
1.... Liberty Square Warehouse.....	600 shar's	\$5	\$7½	4.96
1.... Massachusetts 6's, 1868.....	150,000	3	3	4.50
1.... Massachusetts 5's, '65, '74.....	275,000	2½	2½	6.93
1.... Mass. (Troy & Gr'n'd) 5's, '90.....	1,166,500	2½	2½	29.19
1.... Malden and Melrose Railroad 6's.....	75,000	3	3	1.25
§.... Middlesex Mills.....	750,000	5	5	7.50
1.... Michigan Central RR bonds, '82.....	4,514,500	4	4	18.06
1.... Mount Pleasant Coal.....	5,000 shs	1½	1	5.25
1.... National Dock Co. (East Boston).....	300,000	3	3	3.00
1.... New England Glass Co.....	500,000	10	10	2.00
1.... Northern N. H. RR 6's, '74.....	149,400	3	3	4.49
1.... New Bedford 5's, '77-'80.....	77,000	2½	2½	1.95
1.... Og. and Lake Cham. RR, pref.....	356,400	..	4	14.28
1.... Old Colony Railroad bonds.....	210,500	3	3	6.32
1.... Portland City 6's.....	Int. abo't	3	3	3.00
1.... Prescott Fire & Marine Ins. Co.....	100,000	4	4	4.00
4.... Roaring brook Coal.....	250,000	6	6	15.00
8.... Salisbury Manuf.....	1,000,000	5	7½	75.00
1.... Shoe & Leather F. & M. Ins.....	200,000	5	5	10.00
1.... South Shore RR 6's, 1880.....	150,000	3	3	4.50
1.... Western Railroad 6's, 1875.....	988,000	3	3	29.36
				\$1,002.97.

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurers' returns in the Treasury Department, on the 1st of August, the 1st of September and the 1st of October, 1866, comparatively :

DEBT BEARING COIN INTEREST.

	Aug. 1.	Sept. 1.	Oct. 1.
5 per cent. bonds.....	\$198,241,100	\$198,091,350	\$198,161,250
" " of 1867 and 1868.....	18,321,592	18,323,562	18,322,221
" " of 1881.....	283,784,100	283,784,300	283,783,250
" " 5.20's.....	742,829,650	773,422,800	780,162,250
Navy Pension Fund.....	.....	11,750,000	11,750,000
	\$1,242,628,442	\$1,283,322,512	\$1,310,069,971.

DEBT BEARING CURRENCY INTEREST.

6 per cent. bonds.....	\$6,042,000	\$6,202,000	\$6,229,000
Temporary Loan.....	118,665,470	45,538,000	22,210,000
3-year Compound Interest Notes.....	156,012,140	155,512,140	155,512,140
3-year 7.30 notes.....	798,949,350	799,518,900	743,966,100
	\$1,117,222,236	\$1,079,689,960	\$930,931,180

DEBT ON WHICH INTEREST HAS CEASED.

Various bonds and notes.....	\$4,900,430	\$4,670,160	\$23,227.33
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DEBT BEARING NO INTEREST.

United States Notes.....	\$4,036,172	\$399,602,592	\$399,153,341
Fractional currency.....	26,684,139	26,483,906	27,155,723
Gold certificates of deposit.....	16,403,180	15,480,220	11,671,400
	\$452,081,608	\$441,449,647	\$437,251,265

Aggregate debt.....	\$2,770,416,009	\$2,728,314,836	\$2,701,537,700
Coin and Currency in Treasury.....	187,317,338	182,631,666	182,212,167
Debt, less coin and currency.....	\$2,633,099,276	\$2,595,683,163	\$2,519,325,533

* Berkshire, Cambridge, and Chelsea Railroads, less Government and State taxes in October and Government tax only in April.

† The par value of Boston Manufacturing Co. is to be raised from 750 to 1,000 by an assessment of \$83½ per share and balance from reserved fund.

‡ The Bullion Consolidated dividend is monthly, and the company has divided 60 per cent of \$180,000 within a year.

§ Payable on demand.

The following statement shows the amount of coin and currency separately at the dates in foregoing table :

	Aug. 1.	Sept. 1.	Oct. 1.
Gold Coin.....	\$61,322 127	\$76,833,918	\$86,259,909
Currency.....	75,995, 06	56 297,750	41,953,853
Total gold coin and currency.....	\$137,317,833	\$132,631,668	\$128,213,767

THE PANAMA RAILROAD AND ENGLISH CAPITALISTS.

For the past two or three weeks a statemend has been quite generally published throughout the country to the effect that the Panama Railroad has passed into the hands of English capitalists. This announcement was certainly a surprise, and if true, we might almost add, a national calamity. But, fortunately, we are authorized to say that there is no foundation whatever for the statement.

The rumor in question probably grew out of the action of the Columbian Congress, in June last, which has been entirely misapprehended. Our readers are most likely aware that the grant to the Panama Railroad was limited : Colombia reserving to herself the right to purchase the road in 1876 for \$5,000,000. These reserved rights the representatives of that Government have of late years made the subject of frequent negotiations with the company and others—Colombia placing great value upon them, and striving to replenish her exhausted treasury by their sale. In the early part of this year, however, General Mosquera, the Minister of Colombia to England and France, made two contracts, each of which affected the interest of the road. The first one was with William H. Catterall, solicitor, of London. This was an agreement to sell to Mr. Catterall these reserved rights, for the sum of £1 000.000, to be paid as follows : £200.000 on the ratification of the agreement by the Congress of Colombia, and £800 000 ten years hence, at the expiration of the absolute grant to the railroad. For this £1,000,000 Mr. Catterall was to obtain the position, with regard to the railroad, held by this South American Government—that is, the right to purchase for \$500,000. This agreement was to be first ratified by the Colombian Government, and then Mr. Catterall was to have the option of accepting or rejecting it.

While the ink was scarcely dry that penned this remarkable contract, General Mosquera sought another sale for Colombia's reserved rights. This time, however, a different style of agreement was entered into, the bonus to be paid taking the form of a loan. The arrangement was in substance that £1.500,000 should be given the Columbian Government, for which she should issue her bonds to an equal amount, and to secure the prompt payment of the interest she should appropriate for that purpose thirty-five per cent. of the customs duties, while the principal should be secured by the pledge of these same reserved rights in the Panama Railroad. The parties agreeing to make the loan not feeling willing to trust our sister republic, inserted a clause in the agreement to the effect that the bondholders should be allowed to station agents at the Custom-houses for the purpose of preventing any misappropriation of the thirty-five per cent. of customs duties.

These two agreements were made, as we have already stated, at about the same time, and General Mosquera sent them with all haste to the Colombian Congress to be acted upon. They came before that body at their last session, and in June a decision was reached. The first agreement, being the one entered into with Mr. Cuttarralil, was rejected. The second agreement was amended by striking out the clause allowing European agents to be stationed in the Custom houses, and also by adding a provision forbidding the bondholders, in case of default in payment of the principal, to sell the reserved rights in the Panama Railroad except with the consent of the Colombian Government; in other words, giving a mortgage with no power, without the consent of the mortgagor, to dispose of the property mortgaged. In this emasculated form the second agreement was ratified. Of course, however, the parties proposing to make the loan refused to do so on any such security.

Out of these agreements, then, of General Mosquera, and out of these proceedings of the Colombian Congress, has arisen the rumor of the transfer of the Panama Railroad to English capitalists. The facts we have recited show not only that there is no truth in the rumor, but that for the next ten years the rights of the present owners of the road are absolute; and we have no doubt but that the parties who were able to undertake and carry through successfully that magnificent enterprise, will have the ability to wisely manage and retain it.

FUEL EXPERIMENTS.

A company has been formed in London for the manufacture of a new fuel from coal waste. The refuse coal is mixed with common farina, alkali, and hot water in the proportion of eight pounds of farina, three pounds of British alkali, and twenty-five gallons of water to the ton, and the composition is kneaded by two broad rollers in a revolving mill. The mixture is then turned out by a hinged shovel into a shoot, whence it drops into a series of small buckets attached to a strap, the buckets dropping their contents down the shoots into moulding machines, where the mixture is compressed into bricks. As these fuel bricks are shaped, they are laid on open iron strap trays in small trucks, which, when full, are run on rails into tunnels closed at both ends by iron shutters, and there they are dried rapidly by hot air driven in by revolving fans.

The quality of this fuel is said to be equal to that of the coal in ordinary use and it is excellent for gas purposes. The company get a good profit by selling it for 17 shillings (\$4.50) a ton—about \$1.50 cheaper than coal.

The use of petroleum as a substitute for coal is the subject of a parliamentary paper just issued in England. Experiments were recently made at the Woolwich Dockyard for the purpose of testing the value of petroleum for raising steam in marine boilers, with the following results: A mixture of American oil and "coal oil once run" only evaporated 7.77 pound of water per pound weight of oil, while 1 pound of Welsh coal evaporated 9 pounds to 9½ pounds of water. The experiments with "coal oil once run" alone gave a better result, the evaporation being 10½ pounds of water, but the rate of combustion of the oil and the rate of evaporation of the water per square foot of grate were low, and the smoke tubes became very foul. The best results were obtained from the use of

Burslem oil, which evaporated 18.38 pounds of water; shale oil, 17.92 pounds; and Torbraine Hill mineral oil, which evaporated 18.38 pounds. The smoke from each kind of oil was very moderate, and the tubes at the conclusion of each experiment were tolerably clean. The report concludes that if results as favorable as the three last mentioned can be obtained under ordinary circumstances, it would appear that one pound of oil will evaporate about double the weight of water which one pound of coal burnt in the ordinary way would evaporate, but, at the same time, the greater cost of oil (from £10 to £23 per ton) must be taken into consideration. If, however, a great reduction were to take place in the price of the oils, "probably under some circumstances they might be advantageously used instead of coal. The experiments, therefore, so far as they have gone, may be regarded as of considerable value in showing the great evaporative power of these oils."

OUR WHALING FLEET.

Notwithstanding the ravages of the pirate Sea King, alias Shenandoah, upon our whalers, it is gratifying to notice that the places of those which were destroyed are filling up rapidly. New Bedford, which suffered the most, has now 174 sail, principally ships and barks, averaging between 300 and 400 tons, of which only nine are now in port at home. Fairhaven has eleven, with only one at home; Dartmouth three, all at sea; Sippican the same number, also afloat; Westport nine, all at sea; Edgartown six, with two in port; Nantucket four, all at sea; and Provincetown forty-two, with only four in port. The whalers belonging to Provincetown are all schooners, eleven of which are under 100 tons—one of them only 75 tons—but the majority of them average about 125 tons, and all are engaged in the Atlantic whaling. This fleet has been very successful during the past five years, having made upon the average between 25 and 30 per cent. clear.

Boston has two barks, one brig and five schooners all at sea. Of these, five are manned by Mr. Hemon Smith, who owns a part in them all, and under whose auspices the business of whaling out of Boston has been revived. A fine new brig of 133 tons, named after him, has just been added to this small fleet. With a single exception, they are employed in the Atlantic whaling. The bark Arthur Pickering, at last accounts, was bound from Fayal for the Pacific.

Salem has two whalers, a brig and a schooner, and Beverly the same—all in the Atlantic. New London has twenty-three, with only two in port. Groton has a schooner in Hudson's Bay. Sag Harbor has eight, of which all are at sea, and New York, the great commercial emporium, has only one bark of 234 tons, whaling in the Atlantic Ocean.

RECAPITULATION.

New Bedford	174	New York.....	1
Fairhaven	11	Boston.....	8
Dartmouth.....	8	Salem... ..	4
Sippican.....	8	Beverley	4
Westport	9	New London	23
Edgarton	6	Groton.....	1
Nantucket.....	4	Sag Harbor.....	8
Provincetown	42		
Total			801

Our whaling operations, though far inferior to what they were fifteen years ago, are still the most extensive in the world. England, with all her vast maritime enterprise, has very few whalers.—*Boston Commercial Bulletin.*

OIL AS A SUBSTITUTE FOR COAL.

A parliamentary paper, just issued, gives an account of the results of some experiments recently made at Woolwich dockyard, with the view of testing the value of petroleum and shale oil as substitutes for coal in raising steam in marine boilers. The experiments were conducted by Mr. Richardson, who had proposed a plan of employing oil instead of coal. The report of the results is not of a very decisive character, but it shows that the value of various oils for the purpose in view varies considerably. Thus, a mixture of American oil and "coal oil once run" only evaporated 7.77lb of water per pound weight of oil, while 1lb of Welsh coal evaporates 9lb to 9½lb of water. The experiments with "coal oil once run" alone gave a better result, the evaporation being 10½lb of water, but the rate of combustion of the oil and the rate of evaporation of the water per square foot of grate were low, and the smoke tubes became very foul. The best results were obtained from the use of oil, 17.92lb; and Torbaine hill mineral oil, which evaporated 18.38lb. The smoke from each kind of oil was very moderate, and the tubes, at the conclusion of each experiment, were tolerably clean. The report concludes that if results as favorable as the three last-mentioned can be obtained under ordinary circumstances, it would appear that 1lb of oil will evaporate about double the weight of water which 1lb of coal burnt in the ordinary way would evaporate, but at the same time the greater cost of oil (from £10 to £23 per ton) must be taken into consideration. If, however, a great reduction were to take place in the price of the oils, "probably under some circumstances they might be advantageously used instead of coal. The experiments, therefore, so far as they have gone, may be regarded as of considerable value in showing the great evaporative power of these oils, and the practicability of burning them according to Mr. Richardson's plan."

RICE IN MADRAS.

We find, in a recent number of the *Madras Times*, the following account relative to the experimental cultivation of Carolina rice in Madras: The collector of Tinnevely has reported to the Government that two Tinnevely measures, equal to 1 7 17 Madras measures of Carolina rice, were sown on the 20th of September, 1865, in the best quality of channel irrigated land, in the Oorkad Estate, which bears the heaviest crops in this district, at present under the Circar management; the land was also manured, but the yield on the 9th February was one miscal, seven Tinnevely measures, or 10½ Madras measures, giving only seven and a half fold, whereas the indigenous "anikomban," or ivory rice, yields in the same locality twenty-one fold. This seed of 1865, saved from the crop of the preceding year. There is no reason alleged for the yield being so inadequate; the crops in the locality have been good. The soil is sandy clay, improved by manure and irrigation, and may, perhaps, not be adapted to this species of rice. It is suggested that when exotic grain is forwarded for trial it would be advantageous if the description of soil on which it arrives at perfection were stated, in order that, if possible, similar soils might be selected. The collector of South Arcot has been requested to forward to the collector of Tinnevely full details of the highly successful experiment lately conducted in the

South Arcot sub-division, in order that, if possible, the cause of the comparative failure in Tinnevelly may be detected. Now that a large supply of Carolina seed rice is expected from the Secretary of State, it is very important that risk of failure in growing it should be guarded against as far as possible. Details of the system of cultivation pursued in America would be very valuable, and probably easily procurable.

COAL PRODUCTS OF EUROPE AND AMERICA.

The recent report by Mr. Robert Hunt on British minerals gives, as the latest and best account of the coal produced on the continent of Europe and in America, the following returns :

	Tons		Tons.
England.....1865	18,155,587	Bavaria (coal).....1862	21,220
France.....1865	11,341,000	Zollverein (coal).....1863	16,146,707
Belgium.....1862	9,758,228	Zollverein (lignite) ..1863	5,159,494
Prussia.....1863	10,074,815	Austria (coal).....1862	5,261,288
Prussia, (brown coal).....1863	4,003,044	Austria, (lignite).....1862	1,786,679
Saxony.....1863	1,902,175	Russia.....1863	6,850,000
Saxony, (brown coal). ....1863	428,615	Denmark.....1864	2,755
Grand Duchy of Baden.....1864	12,338	Sweden, annually.....	30,000
Hanover.....1863	287,415	Holland, annually (inferior).....	18,000
Hesse and Nassau... ..1864	79,296	Portugal, annually.....	14,500
Electoral Hesse... ..1865	308,150	Switzerland, annually.....	15,000
Electoral Hesse (brown coal) ..1865	179,600	United States of America.....1864	14,593,659
Bavaria, (lignite).....1862	45,570		

The total amount of coal raised in the United States which paid the excise tax in the year ending June 30, 1865, was 17,106,449 tons.

BOSTON.—VALUATION AND TAXATION.

The city assessors have completed their valuation of Boston property and taxes for the year, which foot up as follows :

Wards.	Real.	Personal.	Total.	Polls.
1.....	\$8,719,100	\$1,959,400	\$10,675,500	4,225
2.....	15,810,700	9,104,000	24,714,700	2,902
3.....	6,980,800	2,840,300	9,771,100	3,167
4.....	59,029,225	55,900,800	114,956,025	4,204
5.....	45,074,000	53,645,900	98,679,900	2,957
6.....	24,064,000	36,688,200	60,782,200	2,540
7.....	10,286,650	1,469,400	11,756,050	2,898
8.....	9,832,240	4,146,030	13,982,270	2,358
9.....	12,425,500	5,535,700	18,161,500	1,305
10.....	12,297,700	6,269,400	18,477,100	2,399
11.....	14,765,100	9,414,500	24,179,600	2,203
12.....	6,617,900	2,673,500	9,291,400	2,364
	225,767,215	169,595,130	415,362,345	34,192
Last year.....	201,628,900	170,203,875	371,892,775	.....
Increase	24,138,315	19,391,215	43,469,560	.....

The amount of money to be raised by taxation this year is \$5,274,484. The rate of taxation is as follows :

	County tax,	City tax.	Total tax.
Last year.....	\$4 44	\$11 86	\$15 80
This year.....	2 45	10 55	13 00

The number of polls is 512 less than reported last year.

COMMERCIAL CHRONICLE AND REVIEW.

The loan market for the month—Statement of the public debt very favorable—Trade for September—Regulations for collecting cotton tax—Western trade—Treasure movement—Course of gold—Prices of governments—American securities and consols at London, etc., etc.

The Money Market is still plethoric with idle capital and disappointing to lenders, who have at times no small difficulty in finding remunerative, safe employment for their surplus balances. It has been anticipated that, as has been usual in former years, we should see the development this fall of considerable activity in the Loan Market, followed by an increase in the rate of interest, if not by some occasional spasm of temporary stringency. Whoever has carefully watched the ebb and flow of the bank loans and deposits, as indicated by the annual and weekly returns of the Clearing House, must have noticed a remarkable coincidence of movement at the fall of the year. The loans usually reach their highest expansion about the months of August or September, when the aggregate gradually sinks, till, in November or December, the decline is checked and an upward turn takes place. Another falling off usually begins in March or April, preliminary to the uniform expansion which culminates in August. There is thus a spring tide and a neap tide in the current of bank loans, with, of course, a corresponding series of movements in the volume of the deposits. Judging from analogy, therefore, it has been anticipated that we should have an active Money Market, a calling in of loans, a depletion of the deposits, and a commensurate abridgement of the power of the banks and lending institutions to give to their customers monetary accommodation. As yet, however, there are no indications that the prevailing case will be soon disturbed, except they be found in the mania for speculation, which seems all at once to have seized the community. Such excitement is the result of an expansion of credit, for which the banks are in no small degree to blame, and is generally followed by a reaction, resulting in a disturbance in monetary affairs. This may be the case now, and there is therefore reason enough for caution and for avoiding all long credits. Below, we give the current rates of loans and discounts for each week of the month:

RATES OF LOANS AND DISCOUNTS.

	Sept. 7.	Sept. 14.	Sept. 21.	Sept. 28.
Call loans	4 @ —	4 @ 5	4 @ 5	4 @ —
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.	5 @ —	5 @ —	5 @ —	5 @ —
Good endorsed bills, 3 & 4 mos.	5 @ 5½	5 @ 6	5 @ 6	5 @ 6
“ “ single names.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Lower grades.....	9 @ 15	9 @ 15	9 @ 15	9 @ 15

The statement of the public debt, which we give this month, is very satisfactory. The sixty millions of dollars which have been gathered into the Treasury during the past two months, on account of the income tax, seem to have been employed almost exclusively in paying off the principal of our national debt. On the 1st August the aggregate of the debt was \$2,633,000,000, and the amount now is \$2,573,000,000, showing a reduction during the sixty days of just \$60,000,000, or an average of one million a day. Of course it would be poetic to

expect that we shall go on paying our debt during the remaining months of the fiscal year with the same continuous rapidity ; but the fact that the receipts from income tax during the first year after the close of the war have been exclusively devoted to the liquidation of the principal of the debt is extremely gratifying, and will tend to give greater stability both at home and abroad to our national credit. Moreover, it is pleasant to find that those parts of our debt have been selected for payment which threatened embarrassment to the Treasury. We refer to the short date securities, the temporary loans, and the certificates of indebtedness. Both these classes of short loans were at times the cause of trouble, inasmuch as at frequent intervals the holders drew large amounts of greenbacks from the Treasury, and thus the volume of our floating currency was liable to receive a sudden increase, to the injury of business and to the disturbance of general prices.

The statement also shows the issue of nearly \$22,000,000 of Five twenties, and the calling in of \$25,500,000 of Seven-thirties. Some \$86,000,000 of these three-year Seven-thirty notes have been withdrawn since the beginning of Mr. McCulloch's negotiations in regard to them. The progress is indeed slow, but it is very satisfactory as far as it has gone ; for, contrary to the predictions of many persons, the prices of Government securities have not been at all depressed, but, on the contrary, they are considerably higher now than when the purchases of the Seven-thirties were first started.

We observe that the Treasury balance now comprises \$14,000,000 less of currency than on the 1st September, together with \$14,000,000 more of coin, if we make allowance for the gold certificates, which amount to \$11,000,000 now, against \$15,000,000 the previous month. Altogether, the October statement of the debt may be regarded as, in all important respects, one of the most satisfactory that has ever proceeded from the Treasury. It is reported that Mr. McCulloch is buying up the gold bearing sixes of 1867 and 1868. We see from the report that the rumor is without foundation, except, indeed, there be some small amount which has not yet been put through the books of the Department. We are assured that just now no purchases whatever of these bonds are making on the part of the Government.

The course of trade during September has been of a generally satisfactory character. The fears entertained by some, at the opening of the Fall business, that the markets would prove to be over-supplied with goods have not been realised. On the contrary, the large representation of buyers from all sections of the country have proved to have wants fully equal to the supply of merchandise ; and, with a steady, healthy demand, the course of prices has been even and satisfactory to holders. Although the Fall season is by no means closed, yet the markets are bare of many leading classes of goods, and on some kinds of domestic manufactures prices show an upward tendency, partly induced by scarcity. The South has required a large amount of merchandise ; but it is deserving of note that the class of goods taken for that market now includes less of the fine, costly descriptions bought before the war, and also a much smaller proportion of the very common materials which in former times were required for clothing the slaves, the wealthy classes now buying less costly goods, and the negroes being able to clothe themselves with better fabrics. Southern merchants

have shown some anxiety to open credits, alleging as a reason that it must be late before their people can realise upon the cotton crop; as a rule, however, our merchants have not deemed it prudent to extend credit to that section until political affairs become more settled.

The regulations of the Treasury Department for ascertaining and collecting the tax upon raw cotton threaten to involve much inconvenience both to the producer and to the Government, which seem to be unnecessary, and if so, ought to be obviated. It cannot be expected that the cultivation of that staple will be pursued extensively if the annoyances and other inconveniences incident to carrying out the law are too aggravated for common patience, and we have no doubt that the Government will carefully reconsider the matter, and modify, so far as may be, the instructions lately issued, adopting the simplest and most inexpensive measures it is able under the law to adopt, for the weighing of cotton and the collection of the tax. This is but the commonest dictate of justice and good policy. The act of July, 1866, requires the tax of three cents a pound to be paid to the Collector of Internal Revenue for the district in which the cotton shall have been produced, except in cases where permits have been duly obtained of the assessor upon the giving of proper security for the amount due the Government. This provision obliges the assessor to visit each plantation to superintend the weighing, or compels the planter to haul it to some point designated, saddling upon him the expenses of this moving or the charges of the assessor. In the event of delay there are great liabilities of losing favorable opportunities for shipping the crop to market. It is not practicable for the assessors to visit all the plantations and weigh the cotton without increasing their number to an undue extent. Besides the difficulties in the way of a proper performance of their duty constitute a strong temptation to give certificates of weight without actually seeing the cotton, and are liable accordingly to lead to fraud.

The regulations of the Department authorize the designation of particular places for weighing points, to which the planters are required to bring their cotton. Complaint is made that these places are so inconvenient and inaccessible, that the cost of removing the cotton thither would be double that of transporting it to a seaport town. The majority of the points to which it is usually shipped have not been selected for weighing points. The Government can derive no special benefit from this incurring of unnecessary expense.

The producers, besides, generally depend upon the proceeds of the sale of their cotton for the means to pay the tax. The present system, therefore, obliges them to dispose of their crops to speculators at a sacrifice, or they must give bond for payment before they can be allowed remove their cotton from the district. In those cases in which they have followed the old practice of obtaining advances from merchants, this bond interferes badly with the arrangement. It places the cotton under control of the revenue officers, and enables the collector to send it to a bonded warehouse before transferring it to the merchant, thus making unnecessary expense to both parties. There are other impediments which the regulations create, the effect of which will be to discourage the production of the staple altogether. Every obstacle in the way of its rapid passage to market is a positive injury to the country, as well as to the planter; for the latter, in event of his being unable to send his crop to market without

sacrificing a large part of the proceeds, will necessarily turn his attention to the growing of other products instead, which are free of these disabilities. It is the interest of all of us that the production of this staple should be stimulated, not lettered.

The cotton factors and merchants of New Orleans, apprehensive of embarrassment from the enforcement of the present system of regulations, held several meetings during the month of September to devise modifications which the exigencies of the cotton trade seemed to require. A memorial was prepared and addressed to Mr. McCulloch, the Secretary of the Treasury, setting forth that the existing regulations are exceedingly onerous, and, as they conceive, not well adapted to protect the interests of the Governments. The object of the law imposing a tax upon cotton they very rightly consider to be to collect the amount levied at the smallest cost, in the shortest time possible, and with the least expense, inconvenience and annoyance to the citizens who pay the tax. They accordingly suggest that all the cotton growing States shall be arranged into a single district for the purpose of collecting the tax. The power to do this they claim is conferred by the seventh section of the Internal Revenue Act of 1864 which authorizes the President "to alter the respective collection district" as the public interest may require. We see, however, that the Attorney General has written an opinion to the effect that under the law the Government has not the power claimed. If this be so the necessary legislation can without doubt be easily obtained, and in the meantime such modifications should be made in the present regulations as may be possible and may tend to remove the difficulties and disabilities referred to.

Trade with the West has not been so extensive as might have been expected from the anticipation of large crops. A conservative spirit appears to pervade the trade of that section; and, as their collections have not proved very satisfactory in some districts, there is a disposition to confine credits within moderate limits. The injury to the corn crop has had a depressing effect upon the trade of Illinois and Ohio, which, however, during the last few days, has been counteracted by the reports of injury to the grain crops of Great Britain, warranting the expectation of a large demand for our cereals for export.

In some quarters, there have been symptoms of a disposition to extend credit operations; but, as a rule, our jobbers are disinclined to encourage time transactions, and it may perhaps be safely affirmed that there has been but little departure from the strictly conservative terms upon which business has been conducted since the beginning of the war. The limited amount of credit transactions, however, is perhaps attributable to the extreme abundance of currency as much as to the indisposition of traders to do business upon time.

The usual flow of currency from East to West for moving the crops has not made its appearance until the close of September, a period somewhat later than in former years; and, owing to the extreme abundance of money idle in the banks, the demand has not had its usual effect upon the money market, the rate remaining, through the month, steady at 4 per cent. on call. The most pointed indication of the extreme ease of the money market is in the fact that, on the Treasury notifying the banks to present \$12,500,000 of Clearing House certificates for redemption on the 25th ult., the banks allowed the currency to remain

in the Sub-Treasury, free of interest, simply to retain the use of the certificates in Clearing House settlements, a plain acknowledgement that they could find no use for the money.

The course of the gold market has been comparatively steady. The demand for customs has been very nearly met by the importations from California and Europe ; and speculative movements, to force up the premium, have consequently made no progress. The receipts of gold from California for the month amount to \$2,884,432. Since January 1st, we have received from that source \$30,500,000, which exceeds the receipts for the corresponding months of any of the last seven years. It is important, however, to remember that eight millions of the receipts was destined for the Sub Treasury. The transatlantic receipts for the month have not been officially reported, but are estimated at the unusually high figure of \$7,500,000. These importations appear to be due, on the one hand, to our having remitted to Europe during the panic in London in excess of our actual liabilities; and, on the other, to the subsequent large exportation of Fiftwenties.

MOVEMENT OF TREASURE AT NEW YORK.

Months, &c.	New Supply.			Exports to for. ports.	Excess of	
	California.	Foreign.	Total.		Supply.	Export.
January.....	\$1,485,816	\$72,771	\$1,558,087	\$2,706,386	\$.....	\$1,148,249
February.....	3,603,000	172,122	3,775,122	1,807,080	1,968,092	.....
March.....	3,958,201	285,854	4,244,145	1,045,039	3,199,106	.....
April.....	1,539,821	161,817	1,701,138	588,875	1,112,263	.....
May.....	3,992,148	393,073	4,385,221	23,744,194	.....	19,358,973
June.....	1,842,271	91,549	1,936,820	15,890,956	.....	13,954,136
July.....	6,754,669	345,961	7,100,630	5,821,459	1,278,171	.....
August.....	4,477,659	29,221	4,746,880	1,587,851	3,159,029	.....
September.....	2,884,432*	7,500,000†	10,384,432	808,950	9,575,482	.....
Jan. Aug. '66.....	\$30,537,107	\$9,995,868	\$40,532,975	\$54,000,690	\$.....	\$13,168,215
do do '65.....	13,751,750	1,695,459	15,447,209	22,670,116	.....	7,222,907
do do '64.....	8,864,530	1,859,144	10,723,674	34,935,863	.....	24,212,188
do do '63.....	9,604,812	1,228,121	10,832,433	32,846,496	.....	22,014,063
do do '62.....	18,655,651	944,577	19,600,228	42,834,139	.....	23,233,911
do do '61.....	28,236,403	85,186,780	63,423,183	3,279,514	60,143,19	.....
do do '60.....	25,529,924	1,152,627	26,682,551	39,456,875	.....	12,773,824
do do '59.....	29,219,714	1,833,054	31,052,768	55,925,800	.....	24,873,092

The price of gold has fluctuated during the month between 147½ and 143½—a fraction above the price for the corresponding month of last year, as will appear from the following quotations for each day of the month :

COURSE OF GOLD FOR SEPTEMBER.

Date.	Open'g	High'st	Lowest	Closing	Date.	Open'g	High'st	Lowest	Closing
Saturday.....	1 147½	147½	145½	145½	Wednesday.....	19 145½	145½	145	145½
Sunday.....	2 .....	.....	.....	.....	Thursday.....	20 145	145	144½	144½
Monday.....	3 145	145½	144½	145½	Friday.....	21 143½	144	143½	143½
Tuesday.....	4 145½	146½	145½	146½	Saturday.....	22 143½	143½	143½	143½
Wednesday.....	5 146½	147	146½	146½	Sunday.....	23 .....	.....	.....	.....
Thursday.....	6 146	146½	145½	145½	Monday.....	24 143½	144½	143½	144½
Friday.....	7 145½	146½	145½	146½	Tuesday.....	25 144½	144½	144½	144½
Saturday.....	8 146½	147½	146½	146½	Wednesday.....	26 144½	145½	144½	145
Sunday.....	9 .....	.....	.....	.....	Thursday.....	27 145½	145½	144½	145
Monday.....	10 146½	146½	146½	146½	Friday.....	28 144½	145½	144½	145½
Tuesday.....	11 146½	146½	145½	145½	Saturday.....	29 145½	146½	145½	146½
Wednesday.....	12 146½	146½	145½	146½	Sunday.....	30 .....	.....	.....	.....
Thursday.....	13 146½	146½	145½	145½	Sept... 1866.....	147½	147½	143½	146½
Friday.....	14 145½	145½	144½	145	" 1865.....	144½	145	142½	144
Saturday ..	15 144½	144½	144	144½	" 1864.....	245	254½	191	193
Sunday.....	16 .....	.....	.....	.....	" 1863.....	127	143½	136½	141½
Monday.....	17 144½	145½	144½	145½	" 1862.....	116½	124	116½	122½
Tuesday.....	18 144½	145½	144½	145					

*The Arizona which arrived from Aspinwall on the 1st October brought \$1,187,149, of which \$1,109,587 was from California. This is properly due to the September account, and if added to the actual September receipts makes the total supply from California for that month \$3,993,969. † Estimated.

Below, we give the sale prices at the New York Stock Exchange of Government Securities, represented by the closing sale each day during the month of September, 1866 :

PRICES OF GOVERNMENT SECURITIES, SEPTEMBER, 1866.								
Day of month.	6's, 1881.		6's, 5-20 yrs.		5's, 10-40 yrs.		7-30's, 1867.	1 y'r certif.
	Coup.	Reg.	Coup.	Reg.	Coup.	Reg.		
Saturday... 1	.....	.....	112½	108½	99	.....	107½	...
Sunday..... 2	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 3	.....	.....	112	.....	.....	.....	107½	.....
Tuesday... 4	112	.....	111½	.....	99	.....	107½	.....
Wednesday 5	112	112	111½	.....	99	.....	106½	.....
Thursday.. 6	111	.....	111½	.....	98½	98½	106½	.....
Friday..... 7	111½	.....	111½	108½	98½	.....	106½	.....
Saturday... 8	.....	111½	111½	108½	98	.....	106	.....
Sunday..... 9	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 10	.....	111	.....	108½	98	98½	106	.....
Tuesday... 11	.....	.....	111½	.....	.....	.....	106	.....
Wednesday 12	.....	111½	110½	108½	98	98½	106	.....
Thursday.. 13	111	.....	110½	108½	98	.....	105½	.....
Friday..... 14	111½	.....	111½	.....	98½	.....	106	.....
Saturday.. 15	111½	.....	111½	108	98½	.....	106½	.....
Sunday.... 16	.....	.....	.....	.....	.....	.....	.....	.....
Monday... 17	.....	111½	111½	.....	98½	98½	105½	.....
Tuesday... 18	111½	.....	111½	.....	99½	.....	106	.....
Wednesday 19	111½	.....	111½	.....	99½	.....	106	.....
Thursday.. 20	111½	111½	111½	.....	.....	.....	106½	.....
Friday..... 21	111½	111½	111½	108½	99	.....	.....	.....
Saturday... 22	111½	.....	111½	108½	.....	.....	105½	.....
Sunday..... 23	.....	.....	.....	.....	.....	.....	.....	.....
Monday.... 24	111½	111½	111½	108½	97½	.....	105½	.....
Tuesday... 25	111½	.....	111½	.....	99	99	106	.....
Wednesday.. 6	111½	111½	111½	.....	98½	.....	105½	.....
Thursday.. 27	111½	111½	111½	.....	99	.....	106	.....
Friday..... 28	111½	111½	111½	108½	99½	.....	106½	.....
Saturday... 29	.....	.....	112	.....	99½	.....	106½	.....
Sunday.... 30	.....	.....	.....	.....	.....	.....	.....	.....
Opening....	112	112	108½	108½	99	98½	107½	.....
Highest.....	112	112	113½	108½	99½	99	107½	.....
Lowest.....	111	111	108½	108½	98	98½	106	.....
Closing.....	111½	111½	112	108½	99½	99	106½	.....

The following are the closing quotations of the leading stocks on Friday of the last seven weeks :

	Aug. 17.	Aug. 24.	Aug. 31.	Sep. 7.	Sep. 14.	Sep. 21.	Sep. 28.
Cumberland Coal.....	47½	47½	47½	46½	46½	48	55½
Quicksilver	51	.....	49½	50½	57½	.....	58½
Canton Co. ....	.....	.....	52½	.....	52½	54	54½
Mariposa pref.....	.....	28	.....	28	30½	33½	30½
New York Central.....	104½	104	103½	103½	106½	106½	111½
Erie	69½	73	73½	71	72½	75½	79½
Hudson River .....	.....	.....	.....	120½	122	120½	124½
Reading.....	115½	115½	118½	114	115½	115	116½
Michigan Southern ...	85½	85½	84½	84	83½	85½	85½
Michigan Central.....	111	114	112	.....	111	118	114½
Cleveland and Pittsburg.	87½	87½	86½	86½	.....	87	89½
Cleveland and Toledo....	116	116	115½	114½	116	117½	121½
Northwestern	85½	86½	85½	85½	84½	85½	87½
" preferred..	67½	68½	67½	.....	66½	67½	71
Rock Island	107	109½	108½	109	106	111	112
Fort Wayne	104½	104½	104½	104½	105	105½	107½
Illinois Central	122½	123½	123½	122	122½	121½	123½

United States securities have shown much firmness in the foreign markets. Five-twenties have sold at London as high as 73½, and as low as 71½, notwithstanding the very large amount received from this side. It is significant that one of the first impulses of the reaction from a great panic should be to invest largely in the bonds of the United States Government. Other American securities have also exhibited increased firmness at London. Illinois Central has ranged at 77½ to 80, and Erie at 44½ to 48. We append the daily quotations for U. S. and American Securities at London for September, as reported by the cable :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON—SEPTEMBER, 1868.

Date.		Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie sh's.	Date.		Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie sh's.
Saturday	1	89½	78½	80	46	Tuesday.....	18	89½	72½	78½	47½
Sunday	2	.....	.....	.....	.....	Wednesday	19	89½	72½	78½	47½
Monday.....	3	89½	78½	79½	46½	Thursday	20	89½	72½	78½	47½
Tuesday.....	4	89½	72½	79½	46½	Friday	21	89½	72½	78½	48
Wednesday	5	89½	78	79½	46½	Saturday	22	89½	72½	78½	48
Thursday	6	89½	72½	79	46½	Sunday.....	23	....	....	....	....
Friday	7	89½	72½	78½	45	Monday.....	24	89	71½	78	48
Saturday	8	89½	72½	78½	45	Tuesday.....	25	89½	71½	77½	47½
Sunday.....	9	....	....	....	....	Wednesday	26	89½	71½	78	47½
Monday.....	10	89½	72½	78½	45	Thursday	27	89½	71½	77½	47½
Tuesday.....	11	89½	71½	78½	44½	Friday	28	89½	71½	77½	47½
Wednesday	12	89½	71½	78	44½	Saturday.....	29	*No	tele	gram	....
Thursday	13	89½	72½	79½	45½	Sunday.....	30	...	....	....	....
Friday	14	89½	78	79½	45½	Highest.....		89½	73½	80	48
Saturday	15	89½	72½	78½	45½	Lowest.....		89	71½	77½	44½
Sunday.....	16	....	....	....	....		
Monday.....	17	89½	72½	78½	46½						

The causes indicated above, as having induced a return current of specie, have also produced a severe depression in the rates of foreign exchange. At the beginning of the month, prime bankers' 60 days' bills sold as low as 106½, or about 3 per cent. below the par of exchange. Subsequently, the purchase of large amounts of bills on speculation and the curtailment of the supply of cotton bills produced a sudden advance in quotations; and, at the close of the month, prime 30 days' bankers' bills were held at 103½@108½.

COURSE OF FOREIGN EXCHANGE FOR SEPTEMBER.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1	105½@106½	545 @535	39 @40	75½@76½	35 @35½	68½@69½
2.....	.....	.....	.....	.....	.....	.....
3.....	105½@106½	542½@535	39 @40	75½@76½	35 @35½	68½@69½
4.....	105½@106½	542½@535	39 @40	75½@77	35 @35½	69 @70
5.....	105½@106½	541½@532½	39 @40	76 @77½	35 @35½	69 @70½
6.....	106 @106½	540 @532½	39 @40	76 @77½	35 @35½	69½@70½
7.....	106 @106½	540 @532½	39 @39½	75½@77	35 @35½	69½@70½
8.....	106½@106½	541½@531½	39 @39½	75½@77	35 @35½	69½@70½
9.....	.....	.....	.....	.....	.....	.....
10.....	105½@106½	535 @530	39 @40	76½@77½	35 @35½	69½@70½
11.....	106 @106½	535 @527½	39½@40	76½@77½	35 @35½	69½@70½
12.....	106½@109½	530 @525	39½@40½	76½@77½	35½@36	70 @71
13.....	107 @107½	530 @525	39½@40½	77 @78	35½@36	70 @71
14.....	107 @107½	532½@525	39½@40½	77 @78	35½@36	70 @71
15.....	107 @107½	530 @525	39½@40½	77 @77½	35½@36	70 @71
16.....	.....	.....	.....	.....	.....	.....
17.....	106½@107½	530 @525	39½@40½	77 @77½	35½@36½	70½@71½
18.....	106½@107½	530 @525	39½@40	77 @77½	35½@36	70½@71½
19.....	106½@107½	530 @525	39½@40	77 @78	35½@35½	70½@71½
20.....	107 @107½	527½@525	39½@40	77 @78	35½@35½	70½@71½
21.....	107 @107½	530 @525	39½@40½	77 @78	35½@35½	70½@71½
22.....	107 @107½	530 @525	39½@40½	77 @78	35½@35½	70½@71½
23.....	.....	.....	.....	.....	.....	.....
24.....	107½@108	527½@522½	40 @41½	77½@78½	35½@36½	71 @71½
25.....	107½@108	525 @520	40½@41½	78 @78½	35½@36½	71½@71½
26.....	108 @108½	523½@522½	40½@41	78 @78½	35½@36½	71½@72
27.....	108½@108½	523½@520	40½@40½	78 @78½	35½@36	71 @72
28.....	108 @108½	523½@518½	40½@40½	78 @78½	35½@36½	71½@72
29.....	108 @108½	523½@518½	40½@40½	78 @78½	35½@36½	71½@72
30.....	.....	.....	.....	.....	.....	.....
Sep.....	105½@108½	545 @518½	39 @41½	75½@78½	35 @36½	68 @72
Aug.....	105½@108½	545 @517½	39 @41	75 @79	34½@37	68 @73
July.....	107½@109½	525 @507½	40 @42	77 @79	36 @37½	72 @75½
June.....	107½@110	205 @507½	40 @42½	77 @80½	35½@37½	73 @75
May.....	108½@109½	520 @510	40½@42½	78½@80	36 @37½	71 @74
Apr.....	106½@108½	537½@517½	39½@41	76½@78½	35 @36½	69½@71½
Mar.....	106½@108½	530 @518½	40 @41	77 @78½	35½@36½	70½@71½
Feb.....	107½@108½	532½@517½	40½@41	77 @79	35½@36½	70½@71½
Jan.....	108 @109½	523½@515	40½@41	78 @79½	36 @36½	71 @71½
9 mos.....	105½@109½	545 @507½	39 @42½	75 @80½	34½@37½	68 @75½

* No report for Saturday, September 29, came to hand.

There has been no demand of importance for Five-twenties for export, the foreign market having been supplied abundantly, perhaps to excess, by the shipments of August. The price of bonds and of Treasury notes has, however, declined but a fraction from the average quotations of August, the demand from domestic sources for supplying large idle balances having helped to sustain prices.

The amount of transactions in Government securities, State, city and railroad bonds at the Stock Boards for last month are given below; the sales at the Boards, however, represent but a small portion of the aggregate operations in Governments, and are an imperfect criterion of the business really done:

SALE OF BONDS—SEPTEMBER.

U. S. Bonds.....	\$6,451,800	Railroad Bonds.....	\$879,200
U. S. Notes.....	2,425,850		
State and City Bonds.....	2,984,000	Total Bonds and Notes.....	\$12,780,850

The course of stock speculation since the middle of the month has been steadily upward. Under the purchase of wealthy firms, prices have advanced above anything realised since the wild operations of 1864.

The following statement shows the prices of leading shares at the close of the month, compared with the highest and lowest figures of 1864:

1864				1864			
		Low't.	High't.			Low't.	High't.
		Sep 29				Sep 29	
New York Central.....	109	145	114½	Illinois Central.....	110½	138	123½
Erie.....	83	126½	80½	Clev. & Pittsburg.....	90	122	89½
Hudson.....	107	164	124½	Northwestern.....	84	88	87½
Reading.....	111	165	116½	do prefer'd.....	61	97	72
Michigan Central.....	114½	157	115	Rock Island.....	85½	149½	112
Michigan Southern.....	57	118½	87	Fort Wayne.....	82½	152½	108

The total transactions in stocks at both Boards, for September, aggregate 1,427,014 shares, against 1,241,075 shares in August.

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Clearing House refusal to make clearances in bank notes—Redemption of National Bank circulation, defects in the present law—Bank returns of the three cities.

The Clearing-House, at its annual meeting, did a very creditable thing in deciding by an almost unanimous vote that National Bank notes shall not be used instead of greenbacks in making the daily settlements between the Associated Banks. These settlements should be made in cash. It is demanded both by the Constitution of the Association and by the exigencies of the case that nothing but "money" should settle these daily balances. Now National bank notes, as has been well observed, are not money, they are only promises to pay it on demand. Once permit any bank to settle its Clearing-House engagements by its "promises to pay," or by the "promises" of other banks weaker perhaps than itself, and you would introduce an element of disorganization into the financial system which must eventually prove its sure destruction. This would be the case were the value of National Bank notes protected by metropolitan redemption. But while this redemption is not provided for the proposition is absurd, and the wonder is that any one could be found outside of the circle of those that pursue private benefit instead of the benefit of the

country, who would so far risk his reputation for wisdom and financial perspicacity as to propose a change so fatal, so revolutionary, so compromising to the permanence of our National banking system. Consequently, although we do not impugn the motives of the very small minority who expressed themselves in its favor, we do rejoice that there is so great a preponderance of influential opinion, and so resistless a force of intelligent determination, in favor of the principles and the practice of sound banking.

The subject of bank note redemption has come up very prominently of late, the convention of Western bankers having decided that they would prefer to dispense with metropolitan redemption because of its expensiveness to them.

They would rather enjoy the full profits of a circulation throughout all parts of the country, while making no provision at all for central redemption. The following was the resolution on this subject, which is reported to have been fully adopted:

Resolved, Unanimously, as the sense of this convention, representing the National Banks of the Northwest, that the proposed amendment to section thirty-two of the National Bank Act, as reported by the Hon. Mr. Hooper, of Massachusetts, which requires all the National Banks of the country to redeem their notes of Philadelphia, New York or Boston, meets our earnest and decided disapprobation. We believe the effect of such amendment, if substituted for the provision in the law as it now exists concerning redemptions, will be to seriously embarrass and impede the commercial and financial interests of the entire West and Northwest, by the forced concentration in the eastern cities of a very large portion of the means of the banks which the commercial necessities, especially of the West, required to be used at home. We can see no good reason for ignoring the great commercial centres of the West and Northwest in the manner proposed, and believe that the time has come when it is alike our interest and our duty to demand a recognition of the financial and commercial importance of our section of the country. We therefore earnestly remonstrate against that passage of the proposed amendment, and respectfully ask our Senators and Representatives in Congress to use their efforts to prevent any material alterations of the existing laws concerning redemption.

There is no doubt that it would be a great saving to the banks of the West if they could get their notes into general circulation in the rest of the country, without the expense of redemption in the great metropolitan centre. The advantage of this is seen at once when we reflect that the Western banks would thus get a loan without interest from the distant banks which hold their notes, and would be able to keep afloat a very large amount of currency in various localities where it might be a costly process to send it home. For everyone would prefer paying out these notes, instead of transmitting them across the country, at a great expense for express and insurance, from the far off source from which they were first emitted. Nothing is more evident than that if this non-redeeming plan were permitted to be established, an unfair advantage would be given to the notes of such obscure banks as are established in remote places, solely for the sake of "getting circulation," and of enabling the speculative firms in Wall street and elsewhere who own many of these institutions to make an illicit profit out of the National Banking law. It is for the interest of the whole country that all currency, whether consisting of bank notes or greenbacks, should be at par from Maine to Minnesota, and from the St. Lawrence to the Gulf. This can only be attained by making the bank notes redeemable in lawful money at New York, or, what is the equivalent, at

one of the three great cities; for everybody knows that a bank note which is at par at New York is at par everywhere else in the Union.

It cannot be denied that our National Banking system has, up to this time, worked better, has kept the financial movements of the country more steady, and has done less harm and more good than was believed possible by that large class of persons who advocated its passage as the least of two evils. In all probability it has saved us from one of the most formidable dangers of an era of paper money—that, namely, of unlimited issues of the notes of ill regulated, irresponsible State banks. The mischievous privileges granted to these old institutions to issue currency were apparently too firmly rooted to be curtailed, and too profitable to be given up. The banking interest in most of the states was so powerful as not to be made war upon with impunity. It did seem, therefore, as if we were doomed to have a currency defying all attempts to regulate its amount, and thus to control its value. Early in the history of our greenback system these difficulties were anxiously pondered, and the result was the elaboration of a banking scheme which provided for the absorption of the old banks, and the suppression of all currency-issuing privileges, except under the most strict conditions. It provides that the notes shall be secured by gold bearing bonds to an amount equal to 10 per cent. more than their face value. These bonds are held in the Department at Washington, and are so endorsed that they cannot be stolen or misappropriated by any dishonest officer of the Government. Hence there is an ample provision for the ultimate payment of the note, should the bank fail which has issued it. For it is clear that broken-bank notes are sure to be eventually paid in full so long as the securities which will be sold for that purpose are worth as much as ninety cents on the dollar. This method of securing a circulation of bank notes is infinitely to be preferred to the vicious plan, which obtained in some of the States, of allowing a bank to issue notes to more than double the amount of its capital, and this, in some cases, without exacting any adequate security. It is even better than the plan adopted for the Bank of England, for beyond the aggregate of sixteen millions sterling its notes are not represented by government securities at all. Here, then, is one of the most excellent features of our banking system. It controls and regulates the currency, by making it certain of ultimate payment in full.

But this is not enough. A note which is sure to be eventually paid is not fit to perform the functions of money, except the holder can get full payment for its face anywhere, at any time, and in any commodities he needs in the market. He must be sure that it will be accepted freely in liquidation of his debts. Bank notes, to be perfect as an internal currency, must be kept at par in every village and hamlet over the whole country. Prior to the war, we never had in this country a paper currency which was everywhere equal in value and negotiable without discount. These advantages we first enjoyed when greenbacks were issued, and the people prized them so highly that they will never again consent to be without them. If the National banks are unable to give us such a currency, they will place themselves under the necessity of giving up their functions as banks of issue altogether. But, we think, the National banks are able to keep all their notes at par. Experience shows us that, if the notes are redeemable in New York, and are thus kept at par here, they will be at par everywhere else.

But, on the other hand, if the notes are not redeemable here, they will be sometimes at a discount, as, indeed, was the case a few weeks ago. At this point it is that we find the most important defect in our system. The existing law does not provide for compulsory metropolitan redemption here. Fortunately for the system, a large proportion of the banks do redeem here. But they are not obliged to do so. And as it is more profitable for a speculative bank in an obscure far-off locality not to redeem here, lest its notes should come back to it too freely, there is a very large number of banks that do not redeem here nor (what is in effect the equivalent) in Philadelphia or Boston. As these institutions can keep out their notes longer than the redeeming banks, it is obvious that they obtain an unfair advantage—that our currency will have a tendency to become vitiated, by coming more and more from weak banks, and that the system naturally offers a premium to the non-redeeming institutions. Mr. Hooper, as is well known, introduced a bill into Congress last session, which was intended to remedy this fault, and in spite of the opposition with which it has met, it will no doubt be passed next session. We find the following very judicious remarks on the subject in yesterday's issue of a morning journal :

It is denied that the Western banks object to any system of par redemption for their notes, "they only object to being compelled to redeem in New York." This is a distinction without a difference. Of course each bank stands ready to redeem its notes when offered at its counter ; but neither that nor an arrangement for redemption in any Western city can make the notes at par throughout the country ; and this fact is as well known in Chicago as it is in New York. The talk in this connection about "paying tribute" to this city is perfectly ridiculous ; interior banks which do not redeem at par here are exacting tribute of New York, and this too when the privileges connected with their circulation will afford ample compensation without the levy of such a tax. There can be no system of par redemption, unless it secures the holders of the notes against their depreciation at the financial centre. To object, therefore, to a par redemption at New York, is to object to any system of par redemption, for no other arrangement will answer this purpose. If the notes in question were disbursed in legitimate business at the points where the several banks were located, and simply followed the law of financial gravitation to New York, there would be a sufficient reason why they should be redeemed here at par on their arrival by the banks which had received all the benefit of the circulation. The notes could then be taken home and again set afloat to renew their course. But it is still more the duty of the banks to provide against a possible redundancy of their issues when the notes are brought in whole packages and paid out here, and unless provided for at par are liable at once to become a charge upon this community. In urging the establishment of such a system we are consulting as much the well-being of all sound banks, wherever located, as any local interest. Unless this is done there can be no healthful circulation of the national currency ; and this principle, if not soon accepted, will vindicate itself ere long in the unavoidable experience of those most concerned.

As yet we have been regarding the banks as being simply banks of issue. But they are also banks of deposit and discount. They are the reservoirs of capital. To them our people lend their disengaged funds, and from them they borrow in time of need. It is easy to see how important it is that institutions which thus deal in credit should be placed ever under the scrutiny of the public. Such disgraceful failures as the Pennsylvania banks, or the Merchants' Bank at Washington, ought to be made impossible. Our system should be so arranged that an unsound bank should not be able to get the confidence of the people. If a bank depart from the rules of legitimate business, if it endanger its own stability and

the security of funds entrusted to its care, if it fails to maintain a due proportion between its liabilities and its available reserve, if it engages in speculation in stocks or produce—the public ought to have the means of discovering the fact. And as one of the means of informing the people, sworn statements of the bank's affairs should be published at very frequent intervals. Publicity is a safeguard against many of the evils of unsound banking, because it affords a means of quickly detecting them. The official examiner of the Bank Department has lately gone through the books of several of the banks of this city. But the fact has been enshrouded with a very unnecessary mystery, as if it were some government secret. Such official reports should be published, so far at least that the people may form their own judgment as to which are the soundest institutions and which are less worthy of trust. This question of increased publicity we would suggest to Mr. Hooper as eminently worthy of attention in the new law which he is to report early next session.

Reference was made just now to the necessity for ample reserves. The provision of the present National Currency Act requires every bank to keep a reserve of cash on hand equal in amount to 25 per cent of the aggregate of its circulation and deposits. A more sound and conservative arrangement it is impossible to contrive, and to its enforcement is in part due the stability and elastic promptitude with which our banking system has been able to respond to the emergency, whenever a panic or severe pressure has convulsed and thrown into temporary confusion the monetary relations of the country. Another circumstance which has contributed to this stability, is the virtual Union of the banks into one organized, complex whole. This union, however, has its dangers, and being of so intimate and vital a nature, it imposes the obligation on every sound bank to discourage the unsound ones, and to favor every arrangement which, like the redemption of the notes, or the enforcement of ample reserves, tends to give strength and stability to the whole organized system.

We give below the bank returns of the three cities. It will be seen that the specie in New York is at a lower point than ever before :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$570,617,528
" 13.....	234,938,198	16,852,568	19,162,917	197,766,999	73,019,957	608,082,837
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,823,672
Feb. 3.....	242,510,382	10,937,474	21,494,234	191,011,696	68,796,250	508,569,128
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,496,013	493,431,032
" 17.....	243,068,252	10,808,758	22,938,274	189,777,290	64,802,980	471,896,751
" 24.....	239,776,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3.....	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,959
" 10.....	233,068,274	16,563,237	23,033,237	180,515,881	64,841,802	594,204,112
" 17.....	233,517,378	15,015,242	23,803,057	185,438,707	68,402,764	579,216,500
" 24.....	234,500,518	13,045,651	23,243,406	185,868,245	69,496,033	598,448,864
" 31.....	237,316,099	11,980,302	23,736,534	188,554,592	72,158,099	529,240,640
Apr. 7.....	242,643,753	11,486,205	24,127,031	189,094,961	71,445,005	602,315,743
" 14.....	244,039,839	11,035,129	24,533,981	193,153,469	73,910,370	578,537,853
" 21.....	242,067,063	9,495,463	24,045,657	196,808,578	77,602,688	535,834,778
" 28.....	245,017,692	8,242,937	25,377,280	202,718,574	80,589,023	545,839,668
May 5.....	243,974,184	10,914,997	25,415,677	210,378,303	81,204,447	603,556,177
" 12.....	257,621,317	13,970,402	24,693,259	217,552,853	85,040,659	523,093,538
" 19.....	255,690,463	13,595,465	25,189,864	217,427,729	85,710,107	579,342,483
" 26.....	257,909,598	19,736,939	26,223,867	208,977,905	73,829,947	713,575,444
June 2.....	250,959,073	21,853,093	26,214,555	198,127,289	69,188,092	713,575,444
" 9.....	249,538,959	15,821,663	25,967,253	202,503,949	74,628,674	638,656,381
" 16.....	247,301,547	11,217,805	25,887,876	202,415,673	79,179,304	613,698,301
" 23.....	248,436,808	8,504,006	26,585,394	201,969,238	80,840,578	696,447,630
" 30.....	250,884,168	7,797,215	26,706,623	204,857,272	81,832,640	568,842,490

July 7.....	257,534,833	9,865,266	27,226,530	205,799,611	79,541,638	511,182,914
" 14.....	259,183,434	12,451,684	27,804,172	207,160,048	75,541,977	637,655,787
" 21.....	255,965,018	10,860,147	27,579,020	213,049,079	80,524,992	598,705,726
" 28.....	256,612,071	9,701,046	27,249,812	214,582,926	84,705,814	430,324,809
Aug. 4.....	256,808,117	9,448,900	27,811,549	214,156,705	86,235,079	523,216,814
" 11.....	258,263,063	8,424,209	27,523,522	214,222,263	86,561,834	494,810,975
" 18.....	261,951,924	7,545,513	27,796,904	214,310,576	84,800,071	554,655,346
" 25.....	265,901,065	6,884,077	27,958,464	218,119,450	86,283,483	617,950,350
Sept. 1.....	265,399,617	6,331,610	27,807,834	225,191,282	92,122,808	536,564,052
" 8.....	26,941,668	7,451,910	28,506,288	225,107,991	90,194,254	591,011,185
" 15.....	270,806,04	7,357,869	29,360,371	24,844,647	90,773,222	567,299,212
" 22.....	272,177,166	7,662,611	28,770,381	224,894,663	90,428,189	605,290,424
" 29.....	269,807,888	7,643,960	29,218,950	223,826,785	87,626,021	.....

The returns of the Philadelphia Banks have been as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,869	\$35,342,306
" 8.....	17,226,320	46,774,150	983,685	7,319,528	36,618,004
" 15.....	17,267,412	47,350,498	1,007,186	7,857,972	36,947,700
" 22.....	17,052,559	47,254,622	1,012,980	7,411,337	36,214,653
" 29.....	16,244,277	47,607,558	1,008,825	7,432,534	35,460,881
Feb. 3.....	16,481,005	47,233,661	1,000,689	7,668,365	34,681,135
" 10.....	16,852,787	47,249,383	996,312	7,819,599	34,461,079
" 17.....	16,777,175	46,931,337	953,207	7,843,002	33,926,542
" 24.....	17,282,602	46,865,592	1,026,408	7,732,070	33,052,263
Mar. 3.....	17,447,635	46,604,752	1,041,392	8,111,049	32,835,094
" 10.....	17,292,534	46,546,878	1,055,694	8,248,100	32,504,508
" 17.....	16,875,608	46,690,788	1,026,068	8,438,184	32,102,427
" 24.....	15,969,814	46,642,150	981,932	8,580,200	32,144,250
" 31.....	15,954,832	46,043,488	990,630	8,666,230	32,257,653
April 7.....	16,622,233	46,028,641	946,282	8,720,270	32,762,280
" 14.....	18,323,759	45,114,699	949,116	8,743,396	34,640,664
" 21.....	18,660,513	45,762,733	936,876	8,761,213	35,448,955
" 28.....	18,949,719	46,832,784	890,241	8,779,166	36,032,862
May 5.....	19,144,660	48,006,654	912,023	8,794,348	36,987,007
" 12.....	19,646,263	48,226,256	896,741	8,930,420	38,414,568
" 19.....	19,648,292	48,326,567	897,913	8,918,938	37,296,645
" 26.....	19,715,093	48,036,984	867,094	8,968,742	37,078,418
June 2.....	21,154,909	47,564,996	890,121	9,022,553	38,189,566
" 9.....	21,568,065	48,118,897	859,633	9,007,515	38,326,934
" 16.....	20,568,591	48,616,145	897,381	9,219,553	36,972,476
" 23.....	21,105,316	48,166,814	899,999	9,290,094	36,715,308
" 30.....	21,455,826	48,266,904	863,454	9,325,475	37,212,979
July 7.....	20,546,695	48,892,594	866,981	9,431,664	38,275,789
" 4.....	20,311,668	49,493,405	852,783	9,442,146	37,707,567
" 21.....	21,312,105	49,009,316	849,770	9,427,363	37,575,560
" 28.....	20,912,371	48,935,067	826,096	9,382,473	37,270,815
Aug. 4.....	20,393,826	49,682,529	825,978	9,516,724	37,244,034
" 11.....	20,060,526	49,164,321	835,158	9,543,472	36,639,226
" 18.....	19,863,685	48,530,454	811,230	9,566,783	36,942,311
" 25.....	20,411,323	48,591,763	807,071	9,575,534	36,025,268
Sept. 1.....	24,040,254	50,095,890	806,815	9,569,574	41,162,627
" 8.....	24,134,918	50,320,063	826,345	9,606,410	41,604,903
" 15.....	24,518,358	49,889,015	802,923	9,605,817	41,093,120
" 22.....	24,906,925	50,787,371	793,895	9,601,273	42,826,971
" 29.....	24,078,963	51,187,567	783,024	9,598,497	43,693,675

The returns of the Boston Banks are as follows :

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1.....	\$91,421,477	\$801,415	\$19,807,300	\$28,451,794	\$21,497,354	\$1,404,721
" 8.....	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,322,793
" 15.....	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,273,943
" 22.....	92,665,111	1,040,114	20,750,696	40,800,619	22,034,642	1,215,675
" 29.....	92,877,733	1,008,013	20,544,830	39,153,816	21,899,318	1,157,543
February 5.....	94,572,358	805,237	20,568,125	40,426,163	22,325,418	1,125,726
" 12.....	94,063,827	632,591	20,412,589	38,768,019	22,348,638	1,067,233
" 19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,083,391
" 26.....	93,539,000	521,292	20,262,177	36,396,481	22,887,971	1,048,023

March	5.....	92,990,512	556,856	20,034,968	85,581,876	22,606,835	1,006,719
"	12.....	90,705,159	623,938	19,905,120	85,297,498	22,730,329	721,809
"	19.....	91,902,811	606,992	20,470,018	86,696,321	24,018,916	910,740
"	26.....	91,931,238	513,153	20,913,521	85,887,368	23,019,887	901,620
April	2.....	92,351,979	532,556	20,761,014	86,697,227	23,087,693	869,329
"	9.....	92,142,975	487,455	20,834,570	87,428,560	23,266,642	830,069
"	16.....	91,250,882	457,648	19,902,647	87,606,696	23,635,043	777,193
"	23.....	86,120,897	411,093	19,309,145	86,946,182	22,469,488	744,041
"	30.....	86,723,001	401,113	19,549,614	88,396,210	22,856,656	744,425
May	7.....	90,369,569	576,150	21,415,716	41,205,276	23,516,830	719,688
"	14.....	90,828,554	501,013	22,462,522	42,021,976	23,551,579	695,527
"	21.....	89,634,864	472,172	22,973,509	41,61,149	23,195,968	661,519
"	28.....	91,833,402	436,391	23,658,956	41,631,746	23,722,277	644,653
June	4.....	92,287,648	503,991	26,148,678	42,992,749	23,679,05	609,771
"	11.....	89,878,993	374,966	25,470,926	42,858,986	22,916,559	490,599
"	18*.....	87,568,583	371,596	24,426,749	41,992,820	21,845,977	544,941
"	25.....	94,336,170	323,335	25,019,438	42,587,020	23,633,008	507,371
July	16.....	96,047,000	453,600	21,610,000	40,407,000	24,145,000	413,000
"	23.....	95,995,866	441,689	22,786,738	40,935,853	24,057,765	401,544
"	30†.....	95,002,698	363,776	22,242,659	39,770,363	23,304,526	355,864
August	6.....	96,672,749	318,779	22,482,317	40,549,379	24,116,795	380,980
"	13.....	95,771,749	295,241	21,101,481	39,192,620	24,104,997	202,734
"	20.....	94,915,075	333,670	20,817,159	38,619,847	24,290,816	368,163
"	27.....	94,819,253	322,063	21,688,693	39,028,518	24,262,817	363,405
Sept.	3.....	95,387,808	264,863	22,071,251	39,856,550	24,240,925	344,773
"	10.....	94,873,709	314,204	21,580,730	39,149,497	24,295,875	350,075
"	17.....	94,788,268	328,830	20,303,416	38,357,206	24,345,328	351,401
"	24.....	93,825,673	316,771	20,977,954	40,014,189	24,344,545	336,465
Oct.	1.....	93,676,888	277,806	21,037,880	42,095,214	24,238,047	343,408

* No returns from National Bank of Redemption. † No returns from the Traders' Bank.

INTERNAL REVENUE INSTRUCTIONS—ARTICLE: EXEMPT FROM TAXATION.

The Internal Revenue Bureau has just issued instructions to the United States assessors concerning the exemption of articles and products from taxation under the 10th section of the act of July last, from which it appears that packing boxes, understood and taken on the technical and mercantile signification, are exempt, but packing boxes made of paper or other material than wood, except those made for friction matches, cigar lights, and wax tapers, are taxable. All dry barrels and casks, made water tight, are taxable, though not used for or intended to hold fluids alone.

The exemption of building stone applies only to the ordinary stones, and not to articles manufactured from stone, marble, or slate. The exemption of mouldings for looking glasses and picture-frames applies only to mouldings used for the purposes enumerated. The law does not exempt other mouldings nor looking glass or picture frames made from mouldings. These are subject to a tax of five per cent. *ad valorem*, however made.

The exemptions under the head of printing paper of all descriptions, and tarred paper for wiping and other purposes, are confined strictly to these descriptions. Paper technically known as printing paper is exempt. All other kinds, whether writing paper, wrapping paper, drawing paper, paper hangings, blotting paper, felting paper, and the like, are taxable, and paper made for tarring if sold dry, is liable to a tax.

The exemption of flax and the manufactures thereof includes and carries all the exemptions of flax prepared for textile or felting purposes etc.; but a manufacturer who makes articles of dress for the wear of men, women, and children, from cloth of fabrics purchased in the markets, or purchased from the manufacturer thereof, is not entitled to exemption from tax.

A manufacturer who makes cloths, fabrics, or articles partly of flax and partly of other materials is not to be regarded as a manufacturer of flax, nor are such mixed products exempt from taxation.

Exemptions are to be construed literally. The exemption in the new law specifies only the hulls of ships and other vessels. Boats propelled by oars cannot be regarded as vessels, and are liable to a tax of five per cent. Iron drains and sewer pipes are exempt, but not gas or water mains or pipes. Medicinal and mineral waters are exempt, but not sarsaparilla, pop, root, and the like beer.

Cordage, ropes and cables, made of vegetable fibres, are taxable when not used as a part of the rigging or tackle of vessels.

Photograph albums are not regarded as books within the meaning of the excise law. They are liable to an *ad valorem* tax of five per cent. Photographs and other sun

pictures, when sold by the producer at wholesale at a price not exceeding five cents each, or are used for the illustration of books, are exempt. All others are subject to an *ad valorem* tax of five per cent.

The exemption of the repairs of articles of all kinds does not extend to the material used in making repairs, when such materials are in themselves taxable manufactures. The exemption of car wheels, thimbles, skeins and pipe-boxes and springs, tires and axes made of steel, used exclusively for vehicles, cars or locomotives, is restricted to the material from which they are made, and in the uses to which they may be applied. They must be made of steel, and used exclusively for vehicles, cars or locomotives. The law exempts the finished umbrella and parasol, and also the sticks and frames made for the same, but the *handle* is declared by the Commissioner to be taxable.

By the tenth section of the act of July, the value of bullion used in the manufacture of wares, watches and watch cases, and bullion prepared for the use of platinum watch makers, is exempt from internal tax. All bullion which is used by manufacturers is not therefore exempt from tax, but only such as is used and prepared under the provisions of the above-named section. Bullion used in the manufacture of jewelry is not exempt. Gold and silver rings, bracelets pins, charms, etc., are regarded as jewelry, but gold pens, thimbles, spectacle frames, etc., are regarded as wares. Yarn and warps are exempt from taxation when made and sold or used as material out of which are fabricated cloths or articles of wearing apparel for household or other uses, which cloths or other articles are liable to taxation under the provisions of section sixty-four. Manufacturers having on hand yarns or warps on which a tax has been paid are entitled to pay tax only on increased value, where the same are made into cloth or fabrics or articles.

Wire, on which no tax has been previously paid as wire, is liable to a tax of five per cent. upon the price at which it is sold, whether that price is sixty cents, one dollar, or two dollar per pound. The law imposes a tax of five per cent *ad valorem*. The assessment of the tax must be at that rate. The amount of tax depends on the value of the wire.

Castings of iron of all descriptions not otherwise provided for are subject to a tax of three dollars a ton. The castings otherwise provided for are malleable iron castings unfinished castings, made especially for locks, safes, looms, spinning machines, steam engines, hot air and hot water furnaces, and sewing machines, and castings for iron bridges. These castings, when not sold or used for any other purpose, and when a tax is assessed and paid on the article of which the casting is a part, are exempt from taxation. Castings of all descriptions made for articles, machines, or instruments, other than those specially enumerated, are liable to tax. The words "castings of all descriptions" include castings of brass and other metals, or combination of metals, as well as castings of iron. Woodenware, as used in the section of the new law, can only be construed to exempt such articles or implements of kitchen or household use as are made exclusively of wood, and technically known as woodenware, viz: Tubs, pails, chopping boards and trays, wooden plates, bowls, dishes, spoons, knives, ladles, rolling pins, moulds, prints, mortars, pestles, dippers, ironing boards, pastry and meat barrels, wash boards, clothes sticks, clothes horses, &c., &c. Other articles made of wood, such as churns, boxes, kegs, firkins, fish-kits, measures, saw-frames, ladders, pumps, &c., are liable to an *ad valorem* tax of five per cent.

COLLECTION OF THE COTTON TAX.—DECISION OF THE TREASURY AS TO RE-DISTRICTING THE SOUTH.

The following is the letter of the Attorney General with regard to re-districting the South so as to make the collection of the tax less oppressive.

ATTORNEY-GENERAL'S OFFICE, September 29.

Hon. Hugh McCulloch, Secretary of the Treasury.

SIR: I am in receipt of your letter of the 27th, requesting my opinion on the following point: Whether the laws imposing a tax on cotton and providing for its collection so restrict the executive authorities as to forbid the arranging of the cotton States into a single cotton district for the purpose of collecting the tax on cotton, having

reference to the cotton tax only, and without necessarily involving any change of districts which may be most convenient for the collection of other taxes. I am clearly of opinion that such a consolidation of the cotton-growing States as is described by the terms of the foregoing inquiry, into a single collection district for the purpose of levying and collecting the duties imposed by the Internal Revenue laws upon cotton, cannot lawfully be effected under the existing provisions of those laws. The authority conferred upon the President by the act of June 30, 1864, Section 7, to alter the respective collection districts as the public interest may require, enables him only to modify from time to time, as may be required, existing arrangements of the several districts designated by him for the levying and collection of all the duties and taxes prescribed and imposed by the acts of Congress relating to internal revenue. By the original act of July 11, 1862, the President was empowered simply to divide respectively the States and Territories of the United States, and the District of Columbia, into convenient collection districts. Soon after the passage of this act a question arose as to the authority of the President to alter the arrangement of collection districts made and established by him in pursuance of this provision of law. That question was carefully considered by my predecessor, Attorney General Bates, who gave his opinion that the President when he made the original division of the States into collection districts exhausted his power in the premises, this was held on the general principle that where an act of Congress establishing a general system confers on the President the authority to do a specific act for the purpose of perfecting the means by which the system shall be carried into effect. The act of the President, when performed according to the terms of the statute, have all the validity and authority of the statute itself. (U. S. Opin., Bates, A. G., p. 884.)

This view of the law having been adopted by the Treasury Department, Congress was applied to for additional legislation conferring the authority, which was not contained in the original act. The 7th section of the act of June 30, 1864, was accordingly enacted to remedy the particular defect which was found to exist in the statute of 1862. It is too clear to admit of doubt that "collection districts," within the meaning of the act, are those districts respectively in which the internal duties and taxes imposed by law upon all the subjects of taxation are collected in the manner and by the officers designated in the statute. The districts cannot be established or arranged with reference to the duties imposed on particular subjects. That is not the plan upon which the internal revenue laws proceed. Such an arrangement as is proposed in the memorials which you have submitted to me should not be carried into effect with the machinery established by existing law for the collecting of internal duties. The President has no power to appoint a special collector for the tax imposed on the particular article of cotton, nor could he designate any one of the district collectors as the officer who should proceed throughout the entire cotton territory and collect the tax on that article wherever found. The mischiefs of the present system complained of by the Chambers of Commerce of Mobile and New Orleans can only be remedied by Congress.

The act of July 13, 1866, to which reference is made by the memorialist, contains all the exceptional provisions as to the tax on cotton which Congress deemed to be necessary, and those provisions, instead of giving authority to make the additional exception now requested, seem to me wholly inconsistent with it.

I have the honor to be, &c.,

HENRY STANBERRY, Attorney General.

LETTER FROM SECRETARY McCULLOCH—A REVISION OF THE TARIFF.

The following letter of instructions has been addressed by the Secretary of the Treasury to Mr. Wells in regard to the proposed revision of the tariff at the next session of Congress. It is understood that the office of the Commissioner of the Revenue will be at the New York Custom-House during the month of October.

"WASHINGTON, September 10, 1866.

"To the Hon. David W. Wells, United States Commissioner of Revenue :

"SIR—In view of the fact that the revision of the tariff is certain to engage the attention of Congress at the next session, I consider it especially desirable that the

Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby instructed to give the subject of the revision of the tariff especial attention, and to report a bill which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical and effective. In the discharge of this duty you will consider the necessity of providing for a large, certain, and permanent revenue, keeping in view the fact that the existing tariff has proved most effective in this direction.

"You will therefore endeavor, first, to secure for the Government a revenue commensurate with its necessities; and, secondly, to propose such modifications of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue by reducing taxation upon raw materials and the machinery of home production, rather than by increasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the producing power of wages, greatly promote the interests of the whole country. In the prosecution of this work, you are authorized to call upon any officer of the revenue for such information as you may require and he may be able to furnish. I am, with great respect, very truly yours,

"H. McCULLOCH, Secretary of the Treasury."

TELEGRAPH LAW OF THE UNITED STATES.

The following is an official copy of the act to aid in the construction of telegraph lines, passed at the late session of Congress, and approved by the President July 24.

AN ACT to aid in the construction of telegraph lines, and to secure to the Government the use of the same for postal, military, and other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any telegraph company now organized, or which may hereafter be organized under the laws of any State in this Union, shall have the right to construct, maintain, and operate lines of telegraph through and over any portion of the public domain of the United States, over and along any of the military or post roads of the United States which have been or may hereafter be declared such by act of Congress, and over, under, or across the navigable streams or waters of the United States: Provided, That such lines of telegraph shall be so constructed and maintained as not to obstruct the navigation of such streams and waters, or interfere with the ordinary travel on such military or post roads. And any of such companies shall have the right to take and use from such public lands the necessary stone, timber, and other materials for the posts, poles, stations, and other needful use in the construction, maintenance and operation of said lines of telegraph, and may pre-empt and use such portion of the unoccupied public lands subject to preemption through which its said lines of telegraph may be located as may be necessary for its stations, not exceeding forty acres for each station; but such stations shall not be within fifteen miles of each other.

SEC. 2. And be it further enacted, That telegraphic communications between the several departments of the Government of the United States and their officers and agents shall, in their transmission over the lines of any of the said companies, have priority over all other business, and shall be sent at rates to be annually fixed by the Postmaster General.

SEC. 3. And be it further enacted, That the rights and privileges hereby granted shall not be transferred by any company acting under this Act to any other corporation, association, or person: Provided, however, That the United States may at any time after the expiration of five years from the date of the passage of this Act, for postal, military or other purposes, purchase all the telegraph lines, property, and effects of any or all of said companies at an appraised value, to be ascertained by five competent, disinterested persons, two of whom shall be selected by the Postmaster General of the United States, two by the company interested, and one by the four so previously selected.

Sec. 4. And be it further enacted, That before any telegraph company shall exercise any of the powers or privileges conferred by this Act, such company shall file their written acceptance with the Post master General of the restrictions and obligations required by this Act.

Approved, July 24, 1866.

THE BOOK TRADE.

Statistical Information Relating to Certain Branches of Industry in Massachusetts for the year ending May 1, 1865. Prepared from official returns by OLIVER WARNER, Secretary of the Commonwealth. Boston: WRIGHT & POTTER, State Printers. 1 vol., 8vo., pp. 805.

This imposing volume, relating to the general industry of Massachusetts, has just appeared, and a copy has been sent to this office by the Hon. Oliver Warner, Secretary of that Commonwealth, under whose charge the information it contains has been collected and arranged. Like all Massachusetts State documents, its subject-matter is given in sufficient detail and in well-arranged form, attesting the importance the State authorities attach to the proper representation of their home-interests and businesses before the world.

The information contained in the volume was collected under an Act of the Legislature, approved April 24, 1865. This Act requires statistical details relating to no less than *two hundred and seventeen* different industries, which are specifically named in it, and the extent of enquiry into each (according to its importance) prescribed. This minuteness is remarkable in legislation, and, in connection with the result, shows how great care has been taken from first to last to furnish full and reliable statistics in relation to the industrial resources and wealth of the State.

The present report is the fourth of a series of such statistical publications referring to the manufactures and other productive interests of the Commonwealth. The first was made up in 1838, and showed the value produced in that year to have been \$36,000,000. The second issue referred to 1845, in which year the value is stated at \$124,000,000. In 1855, according to the third report, the production in that year is set down at \$295,000,000. The returns for 1865 (contained in the volume now referred to) show for that year the aggregate products of industry have attained the enormous value of \$517,000,000. Thus, we find that in less than thirty years the productive valuation has increased from 86 to 517, being six times as large in 1865 as it was in 1838. The increase from 1845 to 1855 was equivalent to 138 per cent., and from 1855 to 1865 equal to 75 per cent. The results of comparisons such as these cannot fail to strike the most casual observer. They indicate the ceaseless progress of the State in the development of its industries, and its march to wealth and influence in the nation. The results of the decade closing with 1865 are the more remarkable, since they were achieved within a period, during the latter part of which the country had been subjected to the strain of an exhausting war, when, of necessity, a large proportion of the classes usually employed in industrial pursuits changed from being producers to become consumers.

We will now exhibit a few of the results of the enquiries made in 1865. These may be stated thus—

Aggregate Capital invested.....	\$17,49,93
Persons employed (in agriculture 68,636, and in manufactures 271,421)	342,067
Value of products (more than \$1,500,000 a day).....	\$17,49,93

—facts well illustrating the indomitable perseverance of a people whose natural productions have been said to be only “ice and granite,” and whose industry, united with intelligence, has not failed to win substantial triumphs over the disadvantages of soil and climate.

The following statement shows the distribution of manufacturing values by counties :

Barnstable	\$6,090,022	Franklin.....	\$7,968,522	Norfolk.....	\$22,73,25
Berkshire.....	24,931,498	Hampden.....	28,016,816	Plymouth....	17,62,26
Bristol.....	55,038,314	Hamp-hire.....	13,142,957	Suffolk.....	65,32,74
Duke's.....	545,810	Middlesex.....	88,102,442	Worcester.....	75,21,72
Essex.....	81,107,926	Nantucket.....	261,265		

The predominance of Suffolk, by far the smallest county of the State, comes from the large amount of clothing manufactured (\$15,186,183), the value of coastwise freights (\$9,242,643), &c.

A comparison of some of the leading products, as exhibited in the abstracts of 1855 and 1865, is here presented, which shows largely increased results with the single exception of the whale fisheries. The reduced number of hands employed in cotton and the boot and shoe interest, which is quite marked, will very probably be accounted for by the introduction of labor-saving machinery.

	—Hands.—		—Capital employed.—		—Value produced—	
	1855.	1865.	1855.	1865.	1855	1865
Cotton.....	34,757	23,678	\$31,961,000	\$23,202,966	\$22,140,528	\$24,021,22
Calico and Delaine.....	1,157	4,208	1,960,000	4,222,000	5,212,000	25,25,75
Woolen.....	10,090	18,483	7,305,500	14,725,820	12,105,514	42,62,07
Paper.....	2,620	2,554	2,564,500	2,785,200	4,141,847	2,94,22
Roller and slit iron and nails.....	3,025	3,194	2,342,825	2,827,300	5,512,816	2,42,22
Printing and newsp.....	1,124	2,409	749,550	1,919,400	1,251,218	6,22,22
Clotting.....	1,758	24,722	2,770,600	4,624,440	9,061,896	17,72,92
Tanning and currying... ..	3,143	3,847	4,152,426	4,994,963	10,934,016	15,22,72
Boots and shoes.....	74,326	55,160	.....	10,067,474	27,469,922	22,22,22
Whale Fishery.....	11,264	3,496	14,546,548	5,879,862	7,006,906	6,22,22
Mackerel and Cod Fishery.....	10,551	11,518	8,696,436	2,757,761	2,2,9,640	4,22,22
Horses, oxen and cows.....	.....	.....	.....	.....	15,423,521	12,154,22
Hay.....	.....	.....	.....	.....	8,702,217	12,154,22

In the manufacture of cotton, the following is the order of the counties: Bristol, \$11,836,681; Essex, \$11,707,241; Middlesex, \$8,909,439; Worcester, \$8,878,295; Hampden, \$7,354,880; Berkshire, \$2,964,200, and Hampshire, \$1,303,205. Barnstable, Nantucket and Dukes manufacture no cotton goods, and the others return under a million dollars each. It will be seen, therefore, that in this respect Bristol takes the lead.

In the manufacture of calicoes and delaines Essex returns the largest amount, \$9,329,439; next Bristol, with \$7,020,000; Middlesex, \$5,356,322; Worcester, \$1,853,692, and so on.

Worcester is the great woolen county, with a value of \$12,917,388 against \$7,859,826 in Middlesex, \$3,042,913 in Hampden, \$2,683,625 in Norfolk, \$11,450,818 in Essex, and \$6,726,025 in Berkshire. Worcester appears to be the leading county for the manufacture of shoddy, returning \$270,991 out of \$653,799 in the entire State. Berkshire and Plymouth are the two great pig

on counties, the former manufacturing \$776,520, the latter \$748,275. Suffolk is ahead of all other counties in the manufacture of locomotives, steam engines and boilers, the value being \$3,414,000. Bristol comes next, with \$1,103,550.

In the manufacture of glass Barnstable is far ahead, with \$640,000. Suffolk is the first in the manufacture of hoop skirts, the value being \$257,768, with Norfolk next, \$112,500; the total value throughout the State was \$547,107. Essex is the leading boot and shoe county, manufacturing \$18,101,197; Worcester is next, with \$10,161,910; Middlesex follows with \$8,778,463; Norfolk, \$7,816,072; Plymouth, \$6,422,660. In the mackerel and cod fishery Barnstable stands undisputably the first, with a value of \$2,224,403 against \$1,684,052 in Essex.

In the whale fishery Bristol leads with \$6,057,469. Middlesex and Norfolk are the great brewery counties. Middlesex produces the largest value of fruit, and Worcester of hay. The latter county is also the foremost in horses, oxen, cows, &c. In beef, pork, mutton, veal and swine Middlesex stands highest; also in milk. In fact, Worcester and Middlesex are two of the greatest agricultural as well as manufacturing counties of the State.

A few details respecting the more prominent industries will be appropriate :

Cotton.—Mills 214; spindles 1,913,756; hands 23,678, viz. : 8,892 males and 14,786 females; capital \$33,293,986; cotton consumed 46,686,250 lbs.; gross value of stock used \$49,683,919; cloth manufactured 167,665,364 yards, valued at \$46,554,041; yarn (not manufactured into cloth) 3,558,875 lbs., valued at \$3,794,758; cotton thread 283,053 lbs., valued at \$449,039; batting 952,327 lbs., valued at \$222,910; pelisse wadding 73,950 bales, valued at \$20,300; cotton flannels 3,210,570 yards, valued at \$1,562,258; quilts and counterpanes 42,247, valued at \$180,887; value of all other cotton manufactures \$1,652,688. Total value of manufactured cottons \$54,436,881.

Calicoes and Delaines.—Establishments 12; hands 4,208, viz. : 2,506 males and 1,702 females; capital \$4,222,000; and as follows: Calicoes printed 53,489,434 yards; delaines printed 28,617,679 yards, and goods bleached and colored but not printed 7,355,900 yards. The value of the calicoes printed was \$10,528,619 before and \$13,951,691 after printing, showing an increase from the operation of \$3,426,072, or about 33 per cent. The statistics of delaines and of bleached and colored goods are defective.

Woolen Goods.—Mills, 218; sets of machinery, 1,157; hands, 18,433, viz. : 9,583 males, and 8,850 females; capital, \$14,735,830; scoured wool consumed, 23,790,078 lbs.; gross value of stock used, \$35,374,296. Products, viz. : broadcloth, 3,457,702 yards (\$7,000,650); cassimeres, 15,412,242 yards (\$22,346,013); satinets, 6,471,642 yards (\$4,080,719); Kentucky jeans, 628,680 yards (\$754,686); flannel or blanketing, 20,037,875 yards (\$10,096,135); shawls, 577,556 (\$1,212,054); table and piano forte covers, 99,833 (\$208,035); wool yarn, 1,420,879 lbs. (\$1,037,828); and all other woolen goods, \$1,694,753. Total value, \$48,430,671.

Clothing.—Establishments, 601; hands, 24,722, viz. : 2,150 males, and 22,578 females; capital, \$4,630,440; stock used, \$11,092,434; product, \$17,743,894.

Boots and Shoes.—Hands, 55,160, viz. : 42,626 males, and 12,543 females; value of stock used, \$35,040,544; products—pairs of boots, 7,249,921, and shoes, 24,620,600; value of products, \$52,915,243.

With these selections, we close, recommending all persons interested in such matters to procure the volume and study its wonderful developments. It is one of those publications that will have a lasting value in American statistical literature.

The Home Life; in the Light of its Divine Idea. By JAMES BALDWIN BROWN, B.A., Minister of Cayland's Chapel, Clapham Road, London, &c. New York: D APPLETON & Co., 1866.

This author, an English independent clergyman, has attempted in a series of simple lectures to set forth the true Christian life in the several domestic relations. They may be perused with profit by all, and the counsel which they contain, though it may have been often reiterated, is still wholesome and not presently disregarded.

Appleton's Hand-Book of American Travel. By EDWARD H. HALL, New York D APPLETON & Co., 1866.

This book is all that it professes to be, a hand-book and guide through the Southern States, with maps and descriptive sketches of the cities, towns, waterfalls, battle-fields, mountains, rivers, lakes, watering places, summer resorts, scenes of interest, &c. It is carefully prepared, explicit; and to the tourist is an invaluable companion. It gives a brief outline description of the objects which he desires to understand, and enables him to make his journey interesting, because undertaken with intelligent ideas of the region which he is visiting.

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The following advertisements appear in our advertising pages this month:

MERCANTILE.

Howard & Co.—619 Broadway—Diamonds, Watches, Holiday Gifts, etc.
 Mercantile Library—Clinton Hall, Astor Place and Eighth St.
 Julius Ives & Co.—49 Maiden Lane—Patent Lamps.
 Ferdinand Korn—195 Fulton St.—Eau de Cologne.
 Lewis Audendried & Co.—110 Broadway—Anthracite and Bituminous Coal.
 J. C. Hull's Son—Soap and Candles.
 Grover & Baker—495 Broadway—Sewing Machines.
 A. B. Sands & Co.—139 and 141 William St.—Drugs.
 Wm. Duryea, agent—166 Fulton St.—Maizena.
 J. W. Bradley—97 Chambers St.—Hoop Skirts.
 Stodart & Morris—684 Broadway—Pianos.

BANKERS & BROKERS.

DeWitt, Kittle & Co.—88 Wall St.

Weiss, Fargo & Co.—84 Broadway.
 Simon De Visser—52 Exchange Place.
 Duncan, Sherman & Co.—Cor Pine & Nassau.
 J. P. Morton & Co.—35 Wall Street.
 J. J. Cisco & Son—38 Wall St.
 Robinson & Ogden—4 Broad St.
 Howe & Macy—30 Wall St.
 Gilmore, Dunlap & Co.—Cincinnati.
 Lewis Johnson & Co., Washington.

INSURANCE.

Marine—Atlantic Mutual Ins. Co.—51 Wall St.
 Mercantile Mut. Ins. Co.—35 Wall St.
 Orient Mutual Ins. Co.
 Sun Mutual Ins. Co.—49 Wall St.
 Great Western Insurance Co.
 Fire—Hope Fire Ins. Co.—92 Broadway.
 Morris Fire and Marine Ins. Co.—111 Nassau.
 Germania Fire Ins. Co.—175 Broadway.
 Aetna Insurance Co.—Hartford.
 U. S. Life Insurance Co.—40 Wall St.

THE
MERCHANTS' MAGAZINE
AND
COMMERCIAL REVIEW.

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**NOVEMBER, 1866.**  
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THE EVENING STAR—DEFECTS IN VESSELS IN OUR COASTING SERVICE.

We notice that a daily paper refers to the commander of the steamship *Evening Star*, which was lost off the coast of Florida on the 3d of October, as an unqualified and inexperienced navigator. So far from this being the case, we know him to be one of the best men in the service, who, for his personal qualities and nautical skill, was held in very high esteem. The *Evening Star* belonged to the New York Mail Steamship Company, and is said to have been the favorite vessel of the line. Captain Knapp had the entire confidence of the company, as he has of this community, and the disaster which occurred cannot in any degree be imputed to omission or incompetency on his part.

Just at the present time, however, it must be remarked, disasters to vessels employed in the coasting trade have been unusually numerous. Within the brief period of ten days, we notice among others disabled or lost, the *Evening Star*, the *Daniel Webster*, the *Andrew Johnson*, the *Sheridan*, the *Santiago de Cuba*, and the *Starlight*. It is evident that there must have been some cause other than bad weather to be charged with so much shipwreck. We are aware that there have been of late severe storms and gales, and so there are each fall and winter, and those of the present season furnish little excuse, for our vessels should be able to encounter the ordinary storms successfully, and would be in most cases if there were not radical defects existing in the vessels themselves.

Our coasting service is one of great difficulties. The storms which prevail at certain seasons of the year on the Atlantic seaboard are the most severe of any occurring in the usual routes of navigators. The liabilities of foundering at sea or of being driven on shore in a gale are very great unless the vessel is not only seaworthy, in the usual sense of the term, but

especially adapted for the exigencies of the service. The first requisite is great strength of construction. On no other route is this so necessary. One may cross the ocean safely and ride through very severe storms in a vessel which should not be engaged in the Southern trade during the fall or winter months. Remembering this, what shall we say of the *Andrew Johnson*, which was lost off Currituck beach, a gunboat during the war, well known to our readers under the name of the State of Georgia, suffering badly in several engagements? This is not a solitary exception. A majority of the steamers now engaged in the coasting trade are nothing but altered over Government vessels, many of which have been almost wrenched to pieces by broadsides fired from them. Are these old hulks fit for the fall and winter coasting trade?

We are aware that the *Evening Star* cannot be included in this category. She was built for the merchant service, and had been employed in it several years. Leaving out of the question whether she was constructed or not for ordinary service, she was certainly too large, if to be used in running to New Orleans, unless she had the strength of steel or iron. She was particularly liable to ground on the bar at the mouth of the Mississippi on account of her great capacity. This bar, every navigator is aware, effectually excludes vessels of heavy burden from the navigation of that river. Time and again the *Evening Star* has been caught in this mud when heavily laden, and dragged over it by steam tugs only with great difficulty. The result of this naturally was to strain and weaken her at important points where her timbers joined together. It is said to have been perceived months since that she would not be likely to outride a violent storm. Many did not consider her entirely safe in an ordinary voyage. A few weeks since she ran into difficulty at Pickle Reef, off the coast of Florida, and \$30,000 were paid for salvage on that occasion. In a gale in January last she barely escaped foundering, and her passengers at the time severely blamed the company for the peril to which they had been exposed. In a word, it was not the storm that destroyed her; she broke to pieces simply because she had become unfit for the service by being wrenched and weakened in the manner stated. Whether a vessel of that size could be made strong enough to suffer harm under the circumstances mentioned, is a question we do not here propose to raise. The only fact of importance for us to know is that she was not, and that any ordinary vessel could not be.

We conclude, therefore, that steamers for the coasting trade should be constructed expressly for this branch of service, of small size, and the most strongly built of any that are employed in commerce; and passengers and shippers should especially avoid a vessel in this trade with an *alias* attached to its name. In fact, legislation ought to require that every vessel to be employed in coast navigation should be made to conform to some approved style, and to undergo rigid inspection both when first placed on service, and at stated periods thereafter. The changing of the name should not be allowed. Whatever unpopularity may have been acquired from unseaworthiness or other unfitness should not be escaped, and so men be induced to place their lives in hazard, by reason of having been deceived as to the reputation of the vessel to which they entrusted themselves. Several vessels now employed in the merchant service would have been "hailed off" long ago but for having been disguised under a new name and a different exterior.

Perhaps the necessary legislation will not be easy to obtain. The attempt eight years ago was unsuccessful. The United States Mail Steamer *Central America* had foundered at sea on the 27th of December, 1857. The New York Board of Underwriters appointed a committee, consisting of Commodore Perry, Charles H. Marshall, John D. Jones, F. S. Lathrop and others, to investigate the cause of the disaster. The *Central America* was not "substantially new;" but had already, under another name, and with different owners, acquired a fame and reputation not calculated to make her popular among those that navigate the sea. The committee, after eliciting what they could in relation to the unfortunate occurrence, pushed their inquiries in the direction of amendments to the navigation laws, and the necessity and means of improvement in the construction, equipment and internal organization of ocean steamers. A bill was framed by them, and after receiving the approval of the Board of Underwriters, was introduced into Congress, where it met with favor. But adverse influences proved too strong, and the measure was finally put to sleep. If the present excitement on account of the catastrophe of the *Evening Star* shall cause action to be resumed in relation to this subject some good will have grown from it. Neglect in these matters will continue until the legislative authority compels the necessary attention. It is probable that if Congress had done its duty in 1858 in regard to this matter, without deference to interested capitalists, the fearful slaughter of the *Evening Star*, and many other similar cases, would never have taken place; nor would it have been the province of the journalist to record the series of disasters to coasting vessels which have occurred within the past few days. It is too late to save the hundreds of lives that have been thus recklessly imperilled and destroyed, but it is yet time to do something to prevent the recurrence of such catastrophes.

What is wanted is vessels compactly built, so as not to be liable to spring a leak in a storm, and sufficiently small and light to go over bars without requiring to be hauled over. In addition, it should be compulsory on all owners of vessels to equip their property with life boats, &c., especially to do away with that evil which is, we fear, but too common, namely: the want of proper organization in regard to the relative authority and duties of the officers and crew, each department apparently independent of the other, instead of being properly subordinate and responsible to the captain.

The Cunard steamers navigate the ocean apparently with the same safety as would prevail if they never left port. This is attributable to their perfect construction, their admirable management, the responsibility laid on each man in the crew, and the ambition which is encouraged in them. In all these respects these steamers are totally different from the vessels employed in the American coasting trade. One could cross the ocean on every trip of a Cunarder with less peril than he could undertake one short voyage in the waters of the United States. We trust that our merchants and other citizens having an interest in the safety of our coast navigation will give Congress no rest till its whole duty shall have been done in this matter.

THE BANK OF ENGLAND.

BY MERCATOR.

(Continued from page 300.)

We now come to 1710, when, by various stratagems and numerous negotiations with the minister, the Directors succeeded in having the capital increased to £6,577,340 17s. 10d., and in obtaining an extension of their privileges until the 1st of August, 1732. From their persevering efforts to achieve the latter object, we may reasonably conclude that they found banking for the nation not a bad trade; but during this year the Government observed that its monetary friends in the city, who had derived so much advantage from a lengthened connection with it, were beginning to imitate "little Moses" in the School for Scandal, and bleed reluctantly, and, moreover, that they had been guilty of some other naughty practices, it therefore resolved to apply both spur and rein, and a bill was introduced and passed to *compel the Bank to exchange bills on demand for ready money*, and to prohibit any person becoming Governor, Deputy-Governor or Director of the Bank of England and of the East India Company at the same time.

In taking a review of the progress of the Bank, we are struck with the continuous exertions upon the part of the Directors and successive administrations, the one side ever desirous to prolong its monopoly, and the other equally anxious to sell its favors at the highest possible price. Thus in 1713 we observe there was another bargain, and the charter was renewed until the 1st August, 1742, by the Statute 12 Anne, cap. 2, which provided that if it should be determined at the expiration of that period to withdraw the privileges, twelve months' notice of the intention to do so would be necessary, and the debt due to the Corporation should be paid in full. This favor was acknowledged by the Bank agreeing to advance a further sum of £1,300,000 at the rate of three per cent. per annum, and an additional sum of £8,000 per annum until all the current Exchequer bills were paid off. To enable the Directors to act in this generous manner, they were allowed to call upon the proprietors for additional capital.

While all was going on thus prosperously and harmoniously, another storm arose in 1714 in consequence of the declining health and ultimate death of Queen Anne, and the stock of the Bank fell from 126 to 116, and a sharp run for gold was again experienced; but it was of brief duration, as the old Queen was soon forgotten, and when George I. ascended the throne and the rebellion of 1715 was quelled, the privileges of the Bank were again extended, for which it agreed to cancel £2,000,000 Exchequer bills at five per cent., and to accept an annuity of £89,751 7s. 10d. in lieu of £186,501 13s. 5d. for Exchequer bills previously cancelled.

The year 1720 was a most unfortunate one for the Bank, as the South Sea Company, encouraged by the Government, entered into competition with it, and outbid it in an offer to take all the redeemable and irredeemable assets of the Exchequer and the Bank. The proposal of the South Sea Company was accepted by Parliament, and its stock rose to 850 per cent. But the bubble, though supported by leading statesmen and other influential persons, was fated shortly to explode. In September, 1720, its

stock had fallen to 175, and its bonds were at a discount of 25 per cent., and it soon blew up with a crash worthy of a gigantic swindle. When the schemes of petty rogues are denounced, let us not forget, the South Sea bubble, which owed its existence to the patronage and support of ministers of the crown, members of both Houses of Parliament, and persons moving in the highest ranks of society. The result of this explosion was a run for cash upon the Bank of England and the private banks, many of which stopped, thereby reducing thousands from splendor to object want. Numbers of these unfortunate persons, it is related, died heart broken, and others left the country never to return.

In 1742 there was another renewal of the charter until 1764, by the act 15, George II, Cap. 13, for which, as usual, a *quid pro quo*, or bribe was given by the Governor and company agreeing to lend the Government a further sum of £3,200,000, at three per cent., which was secured by the Excise. The debt, which, when James II. abdicated, only amounted to £664,263, now had increased to £10,700,000, which in future years was to be enormously augmented by the aid of paper money. In 1745, Charles Edward Stuart, known as the pretender, made another abortive attempt to obtain the throne of his ancestors, and penetrated into England as far as Derby, at the head of a body of enthusiastic Highland followers. The event caused the funds to descend to 49, and the customary run on the Bank took place, when, to avoid bankruptcy, it has been stated it was necessary to have recourse to a curious stratageme.

Parties were employed to present notes at one door, which were paid in small coin to gain time, and to re-enter by another with the cash they had received. Francis in his "History of the Bank," jocularly observes that by this device, "*the bona fide holders of notes could never get near enough to present them.*" The employment of such an artifice, though creditable to the ingenuity of the Directors, proves that the Bank in 1745 could not have been in a very solvent condition.

Having thus far traced the career of the Bank, we must pass over an interval of several years, in which the old system was not departed from of receiving money for national purposes, by perpetuating a monopoly, and come to that period when Mr. Pitt "the heaven born minister," as he has been called, swayed the destinies of his country, and produced, by a very simple process, an extraordinary revolution in its financial affairs. Archimedes asserted he could have moved the world if he had only possessed a fulcrum; but William Pitt really performed wonders through the instrumentality of an immense issue of inconvertible paper. He never looked upon the Bank of England as an institution formed to promote commercial enterprise; but as an engine to assist him in his aggressive policy. A war with France, he knew, was the only chance of maintaining his influence with an obstinate and perverse sovereign and a reactionary party in the country; and he was well aware that money could alone enable him to gratify the passion which his patron and supporters cherished.

It was in 1796 that, finding himself inconveniently pressed for supplies, he made the modest proposal to the Bank that it should hand over to the Government £547,000 of *unclaimed dividends*. This demand excited the astonishment of the Directors, and it is creditable to them that they remonstrated against so disgraceful a breach of faith, and even submitted to a sacrifice to prevent it. Pitt, however, was soon to be immortal-

alized by taking a higher flight; and perhaps there never was a bolder measure proposed by an unscrupulous Minister in the most despotic country than that by which the Bank was enabled to defy its creditors, and break its solemn promise to them, by refusing them gold for its notes.

Political causes had, in 1792, produced much discontent; and this occurring in a season of general commercial distress, a panic of no ordinary violence was the result. The Bank of England had become more jealous than ever of its rivals, and the private bankers, who had greatly increased in numbers and influence, regarded it on the other hand with feelings of intense hostility. An obstinate and severe struggle proceeded for a length of time upon both sides, during which the commercial interests of the country seriously suffered, but the crisis ultimately arrived, when, upon the 19th of February, 1793, the Bank returned the paper of Lane, Son & Co. private bankers, who stopped payment next morning for *nearly a million sterling*. Universal distrust now spread abroad with the rapidity of lightning; every man doubted his neighbor, mercantile relations which had subsisted for years to the mutual advantage of both parties, were suddenly snapped asunder, and credit was almost irretrievably destroyed. If an invading army had traversed the country it would not have inflicted more injury upon the country than a monetary corporation established under the pretence of promoting its interests, had, by a single false and foolish step, produced. It is melancholy to, even now, pause to relate that by this application of the "screw," upwards of one hundred country banks were compelled to suspend, *with ample and valid securities at their command which could not be realized*.

The Government became affrighted, and, perceiving the extent of the peril, acted for once with promptitude and sagacity. The merchants and bankers, who had begun to feel the shoe pinck, assembled at the Mansion House and drew up a petition, complaining of the *contracted state of the circulating medium*. Mr. Pitt directly proposed an issue of Exchequer bills on good security for £5,000,000, which had the effect of restoring public confidence and diminishing the pressure. It is worthy to be noted that of this sum not more than £2,000,000 was required to be advanced; and, unlike the Loans given to successive British Sovereigns and Governments, every shilling of it *was repaid*.

The period we are now approaching was, perhaps, one of the most important and eventful in the history of England. From 1793, when France declared war against Great Britain and Holland, which caused a great drain of gold, Mr. Pitt's difficulties as Financial Minister were gradually increasing, and it was not without great and constant pressure he was able to obtain the accommodation he required from the bank. In 1795, the Directors, who had never before been obliged to issue notes for less than £15 or £10, were compelled, in consequence of the inadequacy of the circulation to supply the demand of the public, to issue £5 notes. This, for a time, afforded relief, but the malady was of too formidable a character to be more than temporarily subdued by so mild a remedy. Ultimately, every expedient failed to establish an equilibrium between the metallic resources of the bank and the vast amount of paper money which it had forced into circulation. What was to be done in circumstances so grave and alarming? Make a call on the proprietors for a fresh capital! Such a demand at the time would have been like calling spirits from the

vasty deep, and would have been disregarded. One course was alone left open, namely, to apply that "term" to a powerful minister which had recently been employed with such tremendous effect upon the public through the sides of a legion of unfortunate private bankers. The court of chartered money-changers assembled, therefore, in Threadneedle street, on the 28th of January, 1796, when the following report and resolution were passed :

"The Governor having informed the Court that notice was this morning brought from the Treasury that certain bills drawn on the Commissioners of the Treasury, amounting to the sum of £201,000, would fall due on Wednesday, the 30th of February, and were directed for payment at the bank, and that the sum now advanced on Treasury bills is £1,157,000,"

"Resolved, unanimously, That the Governor give direction to the cashiers not to advance any money for the payment of the bills, nor to discharge any part of the same unless money shall be sent down for the purpose, in which case such money shall be exclusively appropriated to these bills."

Here, then, we behold that institution styled the Bank of England, virtually declaring the *British Government bankrupt*. The Directors of the Bank, however, were masters of the situation; they knew that in the end they must triumph, and with confidence they dispatched the Governor and Deputy-Governor to Mr. Pitt to present him with a copy of the above resolution. He took the document, and when he glanced at its contents, his countenance betrayed his agitated feelings, and he tremulously replied that "*he would look into the situation of his affairs.*" What a reply for a "Heaven-born minister" at such a crisis!

Affairs could not have long remained in this state, as the refusal of the Bank to accommodate the Government in its pecuniary embarrassment was the topic of conversation in every circle, and excited the utmost alarm. Simple folk could not well comprehend how Mr. Pitt and his colleagues were to get on in Downing-street without money, and we fancy the Minister himself was equally puzzled upon the subject. In every crisis the merchants and bankers within the sound of Bow Bells, and adjacent to Change Alley, were to be found assembled in some quarter in the city, remonstrating about these grievances, and complaining in unmeasured terms of the numerous sins of omission and commission with which the Bank stood charged. Who could have thought that the Bank which had been patronised by successive governments—which professed to be a national institution—which enjoyed a monopoly upon the assumption that it had rendered long and valuable services to the commercial interests of the country—should have been deserving of the censure which the cream of the mercantile classes of London cast upon it in the following resolutions, passed at a meeting held in the London Tavern :

"That it is the opinion of this meeting that there has existed for a considerable time past, and does exist at present, *an alarming scarcity of money in the city of London.*"

"2. That the scarcity proceeds chiefly, if not entirely, from an increase in the commerce of the country, and from the great decrease of commercial discounts, which the Bank of England has thought proper to introduce in the conduct of the establishment during the last three months."

Pitt now hit upon a bold plan to extricate himself, the Bank, and—w^e suppose we must add—the *country*, from difficulty and danger. It was

simply this:—The Bank had promised to pay gold in exchange for its notes when demanded; but to have pressed it to do this would have reduced it to insolvency. This would have placed the Government and him in an unpleasant position, as it owed an enormous debt to the Bank, and it would have been extremely awkward for it upon future occasions, when its necessities might compel it to seek further accommodation in the shape of loans. To prevent, therefore, a stoppage of the Bank and the cutting off of supplies, which were absolutely requisite to enable the wheels of Government to keep in motion, Pitt requested the king to come from Windsor, *upon a Sunday morning*, to be present at a privy council at Whitehall; and immediately afterwards another meeting was held in Downing Street, which was attended by the Ministers, the Governor, Deputy Governor, and the Directors of the Bank, when the following order was issued:—

“Upon the representation of the Chancellor of the Exchequer, stating from the result of the information he has received, and of the enquiries which it has been his duty to make respecting the effect of *the unusual demands for specie* that have been made *upon the metropolis* in consequence of the ill-founded or exaggerated alarm at different parts of the country, it appears, unless some measure is immediately taken, there may be reason to apprehend a want of a sufficient supply of cash to supply the exigences of the public service that the Directors of the Bank of England should *forbear issuing any cash in payment*, until the sense of Parliament can be obtained on that subject, and the proper measures adopted thereon for obtaining the means of circulation, and supporting the public and commercial credit of the kingdom at this important conjuncture. And it is ordered that a copy of this minute be transmitted to the Directors of the Bank of England, and they are hereby required, in the emergency of the case to enforce thereto, until the sense of Parliament be taken as aforesaid.”

[Signed,] WILLIAM FAULKNER

Mr. Pitt had now obtained his object, and by stepping between the Bank and its creditors, had established a precedent for any British Minister, who might find himself embarrassed committing an act of gross dishonesty and injustice.

When Parliament assembled, he was indemnified for his conduct, and through his influence, the celebrated British restriction act was passed on the 3d May, 1797. It continued in operation until the 2d July, 1819, when the memorable statute was passed to provide for the *gradual resumption* of cash payment, and to permit the exportation of gold and silver.

(To be continued.)

BREECH-LOADING ARMS—THEIR INVENTION AND HISTORY.

The recent war in Germany having resulted in the success of Prussia (an event that was deemed very doubtful at the incipency of the contest), the Powers of the world have unanimously decided that to the breech-loading rifle alone belongs the honor of having humbled the power of Austria. This rifle, the *zundnadelgewehr* or needle-gun, as it is called, was the weapon used by the Prussian armies, and, although it is in reality a very inferior arm, its superiority over the muzzle-loading musket and rifle was made apparent in the battle of Königgrätz and on all of the battle-fields in Bohemia. The brilliant successes achieved through its instru-

mentality have occasioned much apprehension and activity in Europe, and all the prominent European governments are preparing to furnish their armies with either this gun or with some description of breech-loading rifle deemed superior in finish and effectiveness.

THE INVENTION OF BREECH-LOADERS.

Precisely 326 years have elapsed since a breech-loading firearm was invented. In the year 1540 Henry II. of France conceived the idea of loading musketoons at the breech, and (so far as can be learned) his invention was tested on several occasions. In a curiously-written description of the manner in which the gun was loaded, we ascertain that the barrel opened on hinges and exposed the breech, into which the load was deposited. But this is evidently an obscure description. No doubt the gun was made to work in the following manner: The band hung upon a hinge, say three inches from the hammer, and in those three inches the load was deposited, and the barrel then closed down over it, being fastened at the side opposite the hinge by an iron pin. Of course, such a weapon was not as effective as the muzzle-loaders. The escape of gas through the aperture would have been sufficient to destroy its effect, did no other obvious objections interpose. A gun of the above description, with some 50 or 60 of other patterns, are now in the Museum of Paris, thus proving beyond a doubt that the invention of the French monarch was not entirely lost to the world, but was the subject of many attempts at improvement. Indeed, we are made certain that breech-loaders long attracted the attention of military men, from the number of guns bearing the names of prominent officers. Among the breech-loaders which were made, and of which nearly all failed to be serviceable, were the fusils of Marshal Saxe, Tourette of St. Etienne Pauli, Robert, Le Roy, Lefaucheux, Charroi, J. L. Montigny, Pierre Montigny, the Norwegian and Swedish fusils, the Prussian needle-rifle, Clerville, Treuille, Thomas, Riera, Prince's: Musketon Lepage, Gilby's, Gillet of Liege, Potet and Chassepot, with others whose names are lost to history.

FOREIGN BREECH-LOADERS.

Of the above-named arms, but few have ever been regarded as worthy of practical attention. Pauli's was invented in 1809, and tested in the presence of the great Napoleon. It proved a decided failure on account of its mechanical complications. In the hands of an expert the weapon would have been of some value, but to an army of soldiers it was utterly useless. The present famous needle-gun is but an improvement upon Pauli's—a decided one, it is true, but still greatly inferior to nearly every one of the breech-loading rifles made in this country. There is no simplicity whatever about it. It is complicated, and should there be the slightest injury to the sere the weapon would be utterly useless. In appearance the needle-gun differs in external appearance from every other firearm. The engravings that have reached this country represent it to be a rifle, without a hammer, and with a small iron knob directly in the rear of the breech and in front of the barrel. This knob is a portion of the breech, which can either be turned in the cylindrical breech receiver or be made to slide longitudinally. The breech being opened, the cartridge is inserted, when it (the breech) is again closed, and ready for firing.

Here, now, we have a complication. According to the *American Artisan*, into the front part of the breech is screwed the needle tube, through which the needle slides freely. The needle is attached to the needle bolt, which slides within the lock, and this latter slides within the breech. There is an air chamber in rear of and in communication with the cartridge chamber of the barrel, around the front part of the needle bolt. The main spring, by which the needle is shot forward, is of spiral form, and coiled around the needle bolt in rear of the collar. This collar forms a catch for the sere, and thus keeps the bolt drawn back when the hammer is cocked. In the same piece, with the sere, is the sere spring, at the end of which is the trigger. To load and fire this gun the following motions are required: First, pulling back the knob to withdraw the needle from the breech; second, opening the breech; third, inserting the cartridge; fourth, closing the breech; fifth, turning the knob, so as to bring it in front of the shoulder; sixth, firing the piece. It must be remembered that these are only the motions connected with the machinery of the gun; if we include the "lowering" of the piece, handling of the cartridge, raising of the piece, aiming, &c., we have not less than thirteen to fifteen motions. But it is of the piece itself that we write, and its defects may be stated as follows: First, the presence of the handle on the side of the barrel, which must, to some extent, destroy the accuracy of the aim; second, the necessity of pulling back the knob before loading, and the danger of a premature discharge in consequence thereof. (It is stated that the needle bolt can be drawn back by a handle attached to the lockspring independently; but this only further complicates the gun, and renders it more objectionable.) Third, the extreme nicety of its mechanical construction, by which the slightest irregularity will render it useless; fourth, its inability to fire with sufficient rapidity; fifth, the tendency of the needle to break. All that is known about it is, that the passage of the needle through the powder creates a friction which sets fire to the fulminate as soon as the needle reaches it. In making this last objection it must be remembered that we are treating solely of breech-loading guns, and judging each by its actual merits or defects. That the needle-gun has merits is undeniable; but as a breech-loader it is perhaps the most inferior of its kind now before the world. Its merits are simply these: First, the construction of the cartridge, and second the *zundspiegel*, or igniting material. In the first the use of copper is rendered unnecessary—the cartridge being encased in paper. The powder is first placed; then follows a compressed paper sabot, which cleans the bore of the gun, and in which is fitted the bullet. The fulminate is placed in front of the gunpowder, and between it and the sabot. When the gun is fired the needle first pierces the gunpowder, but does not fire it until it enters the fulminate, when the explosion instantly takes place. And this brings us to the *zundspiegel*, which, translated, means igniting glass. This is a secret known only to the inventor, and whether the power of ignition lies in the needle alone, or by contact with the fulminate, cannot be told. By this we mean that it is not stated whether the fulminate could be ignited by other means than by the needle. From all that can be ascertained, it is evident that no other ammunition than that expressly made for the gun can be used, so that the only conclusion to arrive at is that the fulminate possesses some secret power by means of which ignition takes place the instant the needle is brought into con-

act with it. The mere passage of a needle through the fulminate of one of our metallic cartridges would fail to explode it, a sharp blow from a solid front being required. As this article progresses we will compare the needle gun with many of our own make.

PRINCE'S, LINDNER'S AND SNIDER'S.

The first-named of these breech-loading rifles was experimented with at Brussels in 1856, and favorably reported on. Its recoil was found to be less than that of any other gun in Belgium, with a charge of 70 grains of powder and 470 grains of lead; the length of the ball being 1.18 inch, length of cone double that of the cylinder, and the diameter 0.59 inch. At a distance of from 1,640 to 1,986 yards it was claimed by the inventor that the bullets would carry with sufficient force to inflict a dangerous, and often mortal wound. The gun was, however, never adopted, because of its being too complicated for the use of any others than experts in the use of firearms. The Lindner gun is merely the conversion of a muzzle-loader into a breech-loader, and it contains so many objectionable features that it can never be adopted as a military arm. The conversion is as follows: The breech piece of the muzzle-loader is cut away, and the barrel lengthened over the small of the stock. In this lengthening piece is a bolt, which, when moved backward opens the breech, and when moved forward closes it. At the near end of the bolt is a handle, which moves it longitudinally, or turns it, as the case may be. The bolt is threaded internally and a portion externally, so as to enable it to work freely backward and forward. On the front end of the bolt is a loose conical piece, from which projects a pin, forming a claw for extracting the sabot of the cartridge. On the front end of the bolt is a screw pin, which enters a slot provided for the purpose, and thus prevents it from coming out of the lengthening piece of the barrel. To open the breech the bolt is turned to one side for the purpose of freeing the threads, and then drawn back the required distance. By reversing the movement the conical piece is tightly screwed up and the breech thoroughly closed. The lock is of the old pattern, and the cartridges are encased in paper, a cap being placed upon the nipple of the gun to discharge it. Altogether, the Lindner "converted" rifle is even inferior to the needle gun, by reason of the length of time required to load and fire a charge. The Snider rifle is also merely a conversion from a muzzle-loader, although it is a much more effective weapon than either of the guns already described. The upper part of the barrel is cut away at the breech for a length of about two inches, for the purpose of forming a breech receiver. Into this a solid breech block is fitted, the same swinging on a hinge to the right side of the barrel. As this block is thrown open the shell of the cartridge is partially ejected by the backward movement of an attached spur. The cartridges are metallic, and the firing is effected by the hammer striking upon a sliding pin, which transmits the blow to the fulminate. Notwithstanding the fact that the British Government is converting large numbers of its Enfield rifles into this arm, and the claim that the rifle has been fired 13 times in a minute, it can never become a prominent weapon. The breech block is nothing more than a "trap door" (as it is generally termed), through which the gas can escape in such quantities as to quickly foul the gun. All weapons of this description are necessarily unreliable, from the fact that they present no solid

front to the fulminate. In addition, to load them requires almost as much trouble as the muzzle-loaders. Taking the Snider as an example, we have: First, opening the breech, which requires two motions; second, turning the gun to permit the exploded shell to fall out; third, introducing the cartridge; fourth, shutting down the trap, which requires two motions; fifth, cocking the piece; sixth, firing. We thus have eight positive motions with the machinery alone.

THE FUSIL JARRE AND THE CHASSEPOT RIFLE.

Of these recent French inventions we know but little, the inventors either from patriotic motives or in obedience to the orders of the imperial government, keeping a profound silence in regard to their constructions. The Fusil Jarre is claimed to be the most destructive firearm in the world, it being capable of firing fifty shots per minute. This, however, is very doubtful; but, if even true, no mortal man could sustain the fatigue which would necessarily result from so rapid an operation. The Chassepot rifle is less pretentious, and therefore most likely to be the best weapon. It can be fired twelve times per minute without material fatigue. On what principle it is constructed none others than the French government and those engaged in the construction of the rifle can tell. It is more than likely, however, that it is an improvement on the Prussian needle gun. The Chassepot has been adopted by the French government, and the monster foundries of St. Etienne are engaged in manufacturing the rifle for the use of the French army.

AMERICAN BREECH-LOADERS.

Turning from foreign to American breech loading firearms, we discover that they are of two descriptions. One is a single loader and the other a repeater, so called because of its having a magazine either in the stock or under the barrel, by means of which a number of shots can be fired without stopping to load at each shot. The objects of our inventors have been to make a weapon which would unite simplicity with effectiveness; and the attention which has been paid to breech-loading firearms within the past six years has resulted in the inventions of several which, for effectiveness, have no equal in the world. And this assertion is not merely a boast. It is perfectly true that no European inventor has yet exhibited a weapon which for rapidity of firing, superiority of finish and simplicity of construction can equal the "Spencer," "Ballard," "Henry" or "Peabody" breech-loading rifles. While to Europe belongs the honor of having invented the arm, to the United States must be credited the having made such improvements as renders a formerly complicated contrivance into a dangerously effective weapon. Not that American breech-loaders are without defects—for there is still a wide room for improvement—but that we will, in the following descriptions of a few, prove that our own weapons are in every respect superior to the needle-gun, or any other European breech-loader, except, perhaps, the "Chassepot," of which no minute description has ever been made public:—

THE BURNSIDE AND SPENCER RIFLES.

In the year 1857 several breech-loading rifles were by order of the Uni-

ted States government experimented with at West Point. Of some fifteen or twenty different kinds the "Burnside" rifle carbine was declared the best, and was recommended for adoption. The principle on which this weapon is made is this:—It has a movable chamber which opens by turning on hinges. The aperture through which the gas would escape if left open is covered by an embossed portion of a thin brass cartridge case, and thus cuts off the escape of the gas. The gun has the same objection as Lindner's—viz.: the trap door—and it soon gave way before the Spencer and other breech-loading rifles of superior construction. With regard to the Spencer, much can be said in its favor, but it is still open to serious objections. The construction of the gun is simpler than that of the needle-gun, but is still very complicated. The breech is formed of two pieces, one of which is the breech pin and the other the block on which the cartridges are carried. The breech pin is attached to the lever, which forms the trigger guard, and the carrier block is pivoted into the breech receiver by a pin which is situated below and in rear of the hinge of the lever. Between the block and the breech pin is a pin which presses the latter upward, and behind the breech pin is a curved piece of steel, which guides the cartridges to the breech. This guide is worked by a spring situated near the hammer, and in front of it is the shell ejector, which also works by its action. On the left side of the breech pin is a slide upon which the hammer strikes to fire the priming. The magazine is situated along the entire length of the interior of the butt stock, and is composed of a stationary outer tube and an inner tube which slides in and out. The inner tube is simply a steel box, with a spiral spring for pressing the cartridges forward to the barrel as soon as the breech is opened. To operate the gun the following motions are required:—Supposing that the magazine is already filled with the cartridges (of which there are seven) and secured in the butt stock by turning the handle to a longitudinal position with the hammer. First, the lever is pulled down, which first throws the breech pin below the chamber of the barrel, and then makes the carrier pin and block slide back, ejecting the exploded shell and enabling the fresh cartridge to pass over the breech pin; the cartridge being, of course, pushed forward by the spiral spring, which becomes relieved from confinement the moment the lever is pulled down, and the block and breech pin swung backward. The cartridge is then directly in front of the chamber of the breech, and as soon as the lever is moved back it is forced into the barrel by the breech pin, which presses it up from the rear. The chamber and magazine are thus effectually closed by the block and breech pin, and it only remains to cock the hammer and draw the trigger. While this gun has been successfully used in the United States army, it is undeniably unfit for adoption as the regular arm. Like the needle-gun it is entirely too complicated, the construction is too nice, and the dangers of injury too many. It contains too many delicate springs which are liable, and indeed exposed, to injury at every moment. If we take the spring which works the cartridge guide, for instance, it will be seen that there is a danger of its slipping from beneath the guide at any moment, and thus preventing the gun from working. Again, the shell extractor, or ejector, is a delicate piece of steel that can be snapped with the finger. This is exposed every time the lever is pulled down, and if not broken a few grains of dirt falling into the vacuum left by the backward movement of

the block and breech pin would render it inoperative. So far as the merit of the gun is concerned as a repeater we shall consider that later.

THE BALLARD RIFLE.

This gun (and the Peabody, which will be next described) is one of the simplest and most effective of American breech loaders that we have seen. It is made of four pieces—the hammer, mainspring, trigger and double spring—the mainspring being encased in the lock, and thus protected from being broken. The principle on which the gun is made is simple, and but for one defect, which shall be mentioned, it would stand the equal of all competitors. The lever which protects the trigger being pulled down, the lock, including the hammer, falls below the breech, leaving the chamber of the barrel exposed. Under the chamber at about two inches from the breech is a small knob attached to a spring, which, being pushed towards the breech, ejects the exploded shell entirely from the piece and leaves the chamber free for the insertion of another cartridge. When the lever is pulled down the hammer is half cocked by the action, so that on the lever being drawn up and the breech effectively closed all that remains is to complete cocking the hammer and fire the gun. In addition to its adaptability for metallic cartridges the Ballard rifle can be fired with paper cartridges and percussion caps. Directly in front of the hammer, and on the breech block, a nipple is fixed, so that in the event of metallic cartridges giving out the old system can be followed, still loading by the breech. As will be seen by the above description, the weapon is free from all complicated machinery and can be fired with great rapidity. Experiments with this gun have been made on several occasions, with various results. As many as twenty shots per minute have been fired from the carbine, and the inventors claim that in the hands of an expert twenty-five shots can be fired. Last year fifty-one breech loading rifles were examined at Springfield by order of the United States government, and of this number five were selected as being the best adapted to army use. The “Ballard,” “Peabody,” “National” and “Berdan” rifles, with two others, were the ones selected. Notwithstanding the many merits of the Ballard rifle, it still has one defect. As the gun is made at present the ejector and the lever require two motions to work them. By attaching them together, and thus causing the shell of the cartridge to be ejected, the instant the lever is pulled down and the breech is opened, the last fault in the weapon would be removed. It is understood that this improvement will be made, and when it is, the rifle will be a most dangerous arm in the hands of a well drilled soldier. The Ballard rifle is well made and elegantly finished, possessing great strength united with lightness. The carbine weighs about seven pounds, and the army gun, when made, will weigh about nine pounds. At a distance of 1,200 yards, with a load of forty-five grains of powder and 285 grains of lead, the rifle is very accurate, retaining its initial force throughout that distance.

THE PEABODY RIFLE.

This weapon is constructed upon the same principle as the Ballard gun, with the exception that the opening of the breech and the ejection of the exploded shell take place simultaneously. The breech block is a solid

piece of steel, hollowed out at the top to receive the cartridge. When the lever is pulled down this block falls below the chamber, and exposes the breech; the cartridge is then inserted, the lever pulled back and the breech closed. And here is the only objectionable feature in the Peabody rifle. Unless the cartridge is inserted into the chamber, flush up with the breech, there is great danger of a premature discharge from the sudden contact of the breech block with the fulminate. As it now stands the utmost care is needed in loading the piece. It seems to us that by giving the end of the breech block a slight incline the danger would be removed, for if even the cartridge was not shoved home, instead of a sudden shock there would be a gradual pressure which would force it into its proper position. While the Peabody rifle is undeniably an excellent weapon of warfare, there is a lack of finish about it which requires correction. Like the Ballard rifle it can be fired twenty times per minute.

BERDAN'S BREECH-LOADER.

For converting muzzle loaders, Colonel Berdan's invention is perhaps the best before the public. The manner in which the conversion is effected is as follows: About three inches of the upper part of the barrel in front of the breech pin is cut away, leaving the breech pin intact, so that it may form the recoil bearing for the breech. The breech is composed of two pieces of steel, one being in front of the other. The front piece constitutes the breech piece proper, and the rear one a brace which sustains the breech piece against the recoil, in firing. The breech piece is hinged to a band which is clamped around the barrel, and a brace is hinged to it. The rear end of the brace and the recoil bearing are so formed that the breech cannot rise until the brace rises by a movement in the hinge. In opening the breech for loading, a knob on the right hand side of the brace is pressed upwards with the finger, thus relieving the brace from the recoil bearing, against which it was pressed by the force of the recoil. The brace is lifted up from the recoil bearing until a stop upon it comes in contact with a stop on the breech piece, above the hinge. The breech piece and brace are then moved together from their position, and thrown forward in the direction of the muzzle, thus exposing the chamber of the band. The firing pin is made of two pieces which meet at the hinge joint, so that the pin does not prevent or interfere with the opening of the breech, which it would assuredly do were it constructed of one piece. To eject the exploded shell, there is a small spur upon the hinged part of the breech piece. This catches hold of the end of the fulminate, and as soon as the breech piece is thrown forward, the shell is thrown completely out. For the purpose of preventing the escape of gas into the breech piece, from the charge, after it is fired, there is a projection upon the right hand side of the brace, behind the knob, so arranged that the hammer must pass over it as it descends. This is an excellent arrangement, for should the brace not be in its proper place, the head of the hammer slides over the projection, forcing the brace down, and effectually closing the breech. The description of Berdan's rifle as given here is taken from drawings published in the *American Artisan*, and prepared under the personal supervision of Colonel Berdan, the inventor. As we stated before, the gun possesses considerable merit, and if the breech piece could be so improved as to simplify it, and thus do away with a portion of its mechanical arrangement, the weapon would become more valuable.

THE REMINGTON RIFLE.

Much has been said about this weapon, and the inventor has been assiduous in his efforts to convince the public that his rifle is the most effective firearm extant. But an examination of the weapon proves the fallacy of this claim. That it is simple in construction is quite true, and before going any further we will describe the gun. Unlike most of the other breech loaders, the breech block works backward and forward with the hammer, thus necessitating a full cocking of the gun before the piece can be loaded. The breech block is a solid piece of steel pierced by a firing line and acting in conjunction with a tumbler attached to the hammer. At the lower part of the chamber of the barrel, is a spur for ejecting the exploded shell, which is connected with the breech block by a spring. The mode of operation is as follows: The hammer is first cocked to its fullest extent, then the breech block is pulled backward to the hammer which catches it by a nip, and thus keeps the breech open. On the cartridge being inserted, the block is pushed forward, and the breech closed. Nothing then remains but to fire the piece. The defects in the gun are these: In the first place, unless the breech block is kept thoroughly well oiled, the greatest difficulty is experienced in pulling it backwards with the fingers. Now as in active service soldiers have no time to take out the block and "grease" it every day, it will be seen that a great delay in loading must ensue. In the next place the spur or shell ejector is entirely too small, and will not eject the shell unless it (the shell) is also thoroughly well greased. In the presence of the writer one of these guns was operated with, and the result was that even with the shell well greased the spur failed to eject it oftener than once in five times. A great deal of trouble was experienced in forcing back the breech block, in consequence of the inability of the spur to eject the shell. When the block was at last forced back it was found that the spur had merely cut through the metal without ejecting the shell. We are thus minute in mentioning the defects of the Remington gun because of the claim for superiority made by the inventor. How the defects can be remedied it would be difficult to explain. The breech block is really the stumbling block. Without a shell in the chamber, it is pulled back with comparative ease; but with the exploded shell resisting the forward action of the spur it requires a finger of uncommon strength to operate it. So far as the "greasing" of the cartridges is concerned the statement that such greasing is a necessity only renders the gun more objectionable. In nearly all of the other breech loaders now prominently before the public it is immaterial whether the metallic cases of the cartridges are well greased or not, the spurs possessing sufficient width and bottom to eject the exploded shells entirely from the chamber of the barrel. It is stated that the Austrian government has adopted this weapon; but the statement has no foundation in fact. Austria has not yet adopted any particular breech loading firearm for her army.

COCHRAN'S BREECH-LOADER.

This weapon does not rank among the first of American inventions, but it contains merits which are peculiarly its own. The housing is light, but strong, and into this the barrel is screwed. The breech block, having a

rolling bearing at its rear end, is fitted to the housing, with a pin inserted into the bearing for the purpose of keeping the breech block in its proper place. The front of the breech block against which the cartridge rests, when the breech is closed is a spherical convex, and is so positioned with the barrel, that the pressure of the shell aids in keeping it firmly locked. The operating lever of the breech block forms the trigger guard, and is somewhat similar in appearance to the Ballard rifle. There is one feature in it, however, which no other breech-loader's lever possesses. The end of the lever, instead of resting near or on the stock, is turned up and enters the stock, so that when the breech is open there is no possible chance of its lever catching against anything. The piece in the stock is elastic and has a kind of hook at the top, which catches hold of a notch (in the stock) and serves either to keep the breech effectually locked or to prevent the lever from coming out of the stock entirely when the breech is opened. The lever being pulled down the breech block is forced upward by the action of the hinged end of the lever against the rear end of the lever against the rear portion of the block. The breech is thus exposed and the cartridge is inserted into the barrel, under the breech block, or, if not under, the gun must be turned over. This is a very awkward manner of loading, and notwithstanding its originality, is the most objectionable feature of the gun. It is true, that to facilitate loading, the under part of the breech block is made hollow, but this only weakens the block, while it does not, to any great extent, facilitate loading. It is urged by the inventor that one of the advantages arising from this method of loading is, that should there be a premature discharge, the powder will escape downward, and not upward, so as to injure the face. This is very doubtful, inasmuch as that all explosions have an upward tendency, and the result of a premature discharge of the cartridge would be the blowing out of the breech piece directly toward the face of the soldier. The shell ejector is, perhaps, the best feature in the gun, although it is not equal to the ejector of the Peabody rifle. It consists of a straight piece which slides on a guide formed between the lower portion of the barrel and the breech receiver. A rod of steel connects it with the operating lever, which is contained in the breech receiver, to the right of the block. On the lever, or trigger guard, being pulled down the rod is pushed backward, carrying with it the ejector and consequently the exploded shell. On the lever being liberated, the spring at the end of the ejecting rod straightens itself, throwing the ejector forward and drawing the lever back to its proper place. By means of a notch under the breech receiver the ejector can be operated with the finger and independently of the lever; but as this would only increase the time required for firing it will seldom be used. Should the connection with the lever become destroyed it would then be of use, but not otherwise. As stated before, the Cochran rifle possesses merits, but as a military arm it can scarcely become a favorite. The difficulty, or rather discomfort, of loading from beneath the breech block is a most serious objection.

THE HENRY AND WINCHESTER RIFLES.

Almost every reader of this paper has heard of the Henry repeating rifle, and the fact that it contains a magazine under the barrel, into which sixteen cartridges are stored at one time. It is merely the Spencer rifle

reversed, and as a repeater has the same objections. The magazine is composed of a tube running under the barrel, from the breech to within five inches of the muzzle, and is partially open along its entire length, at the bottom. At the top of the magazine and up to the muzzle is a tube which moves on hinges to one side, exposing the chamber of the magazine so as to admit the cartridges. This tube contains a follower, which is pressed forward by a spiral spring, thus forcing a cartridge into the breech as fast as the lever is pulled down. On entering the breech the cartridge is forced into the barrel by an upward movement of the main spring. The shell is ejected by a spring catch, which seizes it by the rim and ejects it, room being left in the barrel for it to rise over the rim. An improvement on this rifle has been recently made, and the new weapon is called the "Winchester." Instead of the magazine being partially open it is entirely closed up, and instead of loading from the top the cartridges are inserted into the magazine from the breech, thus enabling the gun to be used as a single loader or as a repeater. By this manner of loading the cartridge last inserted is the last one fired. The cartridges are inserted in the magazine through an opening in the side of the frame, back of the lower block. A spring lid, grooved on the top, and of a length to correspond with the size of the cartridge, opens inward by a slight pressure of the cartridge, which is then pushed forward, and as it drops in its place is held there by a shoulder, the lid then rises to its place and closes the aperture. If the Henry rifle was condemned for its complications, the "Winchester" has certainly not improved the defects. However terrible both weapons would be in the hands of experts, they are totally unfit for military service. The charm of being able to fire sixteen rounds of ammunition without cessation would be quickly dispelled by the slightest injury to any one part of the delicate and complicated machinery contained in the Henry and Winchester rifles.

SHARP'S, BERG'S, ALLEN'S AND STARR'S.

Lack of space will compel us to abstain from elaborate descriptions of the above named firearms. They have in reality almost gone out of use, having been found unequal to their promises. Sharp's, it is true, still retains some prominence, but the "trap door" system, so universally condemned, will prevent its ever being adopted as a military arm. The Berg gun is too complicated for effective use, and requires too much time to operate it. To load it the barrel has to be thrown over the shoulder, after having been released from the stock. Priming or percussion caps and paper cartridges are used with this gun. The Allen gun is also on the "trap door" system. To operate it the hammer is first half cocked; the lever is pulled down and the breech exposed, the shell being ejected at the same time. The cartridge is then introduced, the breech closed, and the hammer being pulled back to a full cock, the gun is ready for firing. Starr's rifle is on the trap system, and is so made that much difficulty is experienced in inserting the cartridge.

OTHER BREECH-LOADERS.

Within the past four years a large number of breech-loading firearms have been invented in the United States, and it will not be exceeding the actual figures when we assert that between \$150,000 and \$200,000 have

been spent during that time for the manufacture of models. Of the large number which have been invented, not more than six or eight have risen to prominence. Among those which may be considered relics of the past are the Warner, Montstorm, Cosmopolitan, Gibbs, Gallagher, Josselyn, Allyn, Maynard, and Burnside. Some others, such as the Merrill (revolving), Bell's (repeater), Burke and General Roberts, have not yet been brought sufficiently before the public for their merits and defects to be pronounced upon.

POULTENEY BREECH-LOADING MUSKET.

Through the kindness of Colonel S. Crispin, the efficient Ordinance Officer of this State, the writer has been enabled to furnish a description of the above-named weapon. It is of recent invention, and although not yet known to the public at large, promises to become one of the most popular firearms in the United States. While the gun is made on the principle of rotation, it is almost devoid of mechanical work. The breech block consists of a solid piece of steel, connected with the lever, which forms the trigger guard, and swinging on an axis. Attached to the lever is the only spring about the gun, and it is merely the lock which keeps the breech block properly closed up against the chamber of the barrel. Attached to the block is a spur, which ejects the exploded shell entirely from the breech simultaneously with the pulling down of the lever. The block, as stated before, swings upon an axis, but instead of falling downward when the lever is pulled down, it moves backward, thus exposing the breech. This system of operation is very superior, for should the shell not be pushed into the breech sufficiently, as soon as the lever is pulled back the face of the block comes in contact with the cover of the cartridge and shoves it home, without the slightest danger of a premature discharge. Another source of safety in the Poulteney rifle is that by the opening of the breech the hammer is half-cocked, thus preventing an accident. When fired, the hammer strikes against a pin which runs through the block, and the blow is transmitted to the fulminate. The gun is light, but immensely strong, and is well finished. The following is the mode of operating it:—First motion, pulling down the lever, and by so doing expose the breech and eject the cartridge; second, inserting a fresh cartridge; third, pulling back the lever, and effectually closing the breech; fourth, cocking the hammer; fifth, firing. The only defect in this gun is that the spur or shell ejector is not quite wide enough to insure a positive certainty of ejection, should the metal of the shell be of inferior quality.

SMITH'S CARBINE.

This weapon has been largely used in the United States cavalry service, and there is a likelihood that it will be permanently adopted for that branch of the army. The carbine is composed of two parts, one being the barrel, and the other the stock, with the lock attached. These are secured by an axis of rotation, or hinge, with a locking spring of great strength on the top of the barrel, and a catch in the rear of the hammer to retain it in its proper position. Attached to the axis of rotation is the spur, which is under the chamber of the breech, so that as soon as the barrel is thrown forward the shell is ejected. The method of operation is

as follows:—The barrel of the carbine is thrown upon the left arm, near to the axis of rotation, and the catch in the rear of the hammer being pressed down with the finger, the locking spring is released, and the barrel falls downward, and thus exposes the breech. A slight motion of the right hand on the stock brings the barrel and it (the stock) on a level, and the locking spring is instantly fastened to the catch. All that then remains is to cock and fire the piece. The Smith carbine is very simple in construction and possesses considerable strength. The great merit it undoubtedly has, is the ease with which it can be loaded and fired. Any ordinarily drilled soldier can, at a full gallop, load and fire it six or eight times per minute, and still guide his horse with the left hand. Although as a cavalry arm it is a very superior weapon, it is very doubtful if it would be effective for infantry. The method of loading, which would expedite the cavalryman, is very likely to delay the infantry soldier.

THE LAIDLEY CARBINE.

This breech-loader is the invention of an officer of the United States army, and is of recent date. It is made on the same principle as the Remington gun, the only difference being that the breech block and the hammer are pulled back together, whereas in the Remington they are pulled back separately. Another slight difference is in the locking of the hammer after it is cocked. This is done by a catch at the side of the stock, instead of by the breech block, as in the other mentioned arm. It does not appear, from the description given, that the Laidley carbine is any better arm than the Remington. There is the same objection, viz:—that the distance from the axis of rotation to the finger ears or top of the breech block are not long enough, and the difficulty of opening the breech when the exploded shell is resisting the action of the block remains the same.

THE NATIONAL RIFLE.

Breech loading rifles are made on several principles, such as the swinging block, sliding block, &c. We only name these two principles or systems on which they are constructed because they are the only ones which possess any *bona fide* merits. The national breech loading rifle is constructed on the sliding block system, and is made as follows: In the rear of the breech-block and below it is a recoil bearer, composed of iron, in the shape of a three-sided parallelogram. In front of this and above it is a solid breech block attached to the lever. On both sides of the lower portion of the front of the block is a spur which enters a small cavity on either side of the chamber of the barrel, and these spurs eject the shell completely from the breech when the lever is pulled down. The lever forms the trigger guard, and is secured in its place by a spring attached to its fore part, which enters the stock, and rests under the breech block. The lock is contained in a solid chamber and has no connection with the breech block, as in many others of recent invention. Through the upper portion of the breech block is a pin upon which the hammer strikes, and which transmits the blow to the fulminate of the metallic cartridge. The manner of operating the rifle is as follows: The lever being pulled down, the recoil bearer falls sufficiently low to permit the breech block to slide over it, and the shell is rapidly ejected. As the breech block slides back-

wards the hammer is forced to a half cock by the action, thus insuring absolute safety in loading. The breech being now open, the cartridge is dropped into the open space between the chamber of the barrel and the block; the lever is pulled back, and the face of the block pressing against the rim of the cartridge forces it into the barrel. The gun is then fully cocked and fired. The National rifle is very simple in its construction, and its principal merits are that it has no dependence upon springs, levers, fulcrums nor circular bearings for resisting the discharge. The resistance is obtained by perfectly square, solid blocks, which move at right angles. Again, there is not the slightest danger of a premature discharge, so well arranged is the breech block to the chamber. The weapon is light, but possesses immense strength. In the presence of the writer, several charges, consisting of 100 grains of powder and 1,848 grains of lead, were fired from the shoulder, with but little or no recoil. As a military arm (and it is only intended for such) the National rifle must eventually hold a high position. The only defect it has is in the danger of the lever spring dying. Should this occur on a battle field the soldier would be compelled to tie the lever to the stock, for the purpose of keeping the breech closed. But this objection is perhaps equally applicable to all breech loaders. The National rifle has been fired with ease sixteen times per minute.

RAPIDITY IN FIRING OF AMERICAN BREECH-LOADERS.

The following table will show the average number of shots per minute which have been fired from several breech-loading rifles of American invention and manufacture :

Name of rifle.	No. of shots.	Yards.	Name of rifle.	No. of shots.	Yards.
Henry (repeater).....	25	500	Smith, (single loader)....	14	500
Spencer do	15	500	Sharp's, do ...	12	500
Berdan, (single loader)...	18	500	Berg, do ...	8	500
Ballard, do ...	18	500	Allen, do ...	14	500
Peabody, do ...	17	500	Joslyn, do ...	8	500
Remington, do ...	15	500	Starr's do ...	6	500
Cochran, do ...	16	500	Maynard, do ...	7	500
National, do ...	16	500	Merrill, (revolving).....	6	500
Poultney, do ...	16	500			

REPEATERS VERSUS SINGLE LOADERS.

While the Spencer rifle proved its superiority over the muzzle loader during the recent war, it did not satisfy our leading ordnance officers that it was the most effective of military arms. Looking upon it merely as a mechanical contrivance we admit its power; but taking a practical view of its merits and defects, we are compelled to conclude that the single loading breech loader is not only a superior arm, but is, in every respect, better adapted to warfare. In the first place, the mechanical portion of a repeater is too complicated; the danger of injury is too great, and the waste of ammunition too excessive to admit of its being placed in the hands of a private soldier. Soldiers are proverbially careless, and during the war many Spencer rifles were picked up on the battle fields with cartridges in the magazine the reverse position to what they should have occupied. Of course it would have been utterly impossible to fire the gun as soon as a cartridge thus inserted had entered the breech piece; it would never have been able to enter the barrel, and the result must have been to

break or otherwise injure the internal machinery. The mistake here mentioned arose either from the carelessness of the soldier or from his hurry when filling the magazine. But, in addition to this, with the knowledge that his-gun contains seven loads, each of which can be fired without reloading, until every cartridge is exhausted, the soldier indulges in a reckless waste of ammunition without doing any material damage to his enemy. The same rule that applies to the Spencer rifle is applicable, and with double force, to the Henry or Winchester gun. Repeating rifles of the last-named pattern are entirely too complicated for the use of an army. In the hands of experts they will, it is true, become terrible weapons of warfare; but nine out of every ten soldiers are not experts in the use of firearms, nor do years of active service render them such. In addition to requiring rapidity of fire, strength and durability are necessary. To an army the Henry and Winchester rifles would then be useless, and simply because they possess neither strength nor durability. They are delicate, complicated weapons; and besides, neither they nor the Spencer rifle can be fired as rapidly as any good single grade, such as the Berdan, Ballard, Peabody or Cochran. Experiments with the Spencer, Peabody, Ballard and Berdan have been made for one hundred shots with the following result:—

Spencer—100 shots in eight minutes and a half, being an average of a little less than 12 shots per minute.

Peabody—100 shots in seven minutes, or 14.02 per minute.

Ballard—100 shots in six minutes and a half, or about 15 per minute.

Berdan—100 shots in six minutes, or 16.04 per minute.

Better averages than the above have been made with these guns, which are among the first of American manufacture; but the experiment only proved that the length of time taken to fill the magazine of the Spencer rifle neutralized its merits as a repeater. The assertion of inventors that the immobility of prejudice on the part of ordnance officers, has been the cause of repeating rifles not being adopted by the government for the use of its army, is simply ridiculous. Patient investigations and experimental tests have proven the superiority of single loaders over the repeaters. And facts, which are always incontestible, have influenced a judgment in favor of the former. But admitted even that the repeating rifle can be fired oftener than the single loader, what benefit arises from such excessive rapidity? To fire twenty-five or thirty shots per minute would render the arm of the soldier utterly useless before he had fired fifty rounds. If an average of eight shots per minute could be fired during a battle, the effect and slaughter would be frightful. This the single loader can be made to perform with the utmost ease; and as it unites simplicity of construction with immense strength (qualities which the repeater does not possess), the hypothesis must naturally be that it is the most effective arm and better adapted to warfare.

CONCLUSION.

Humanitarians welcome the progress of science in the invention of breech loaders, as rapid strides toward obviating the dread alternative of war. But a moment of reflection will prove that they are mistaken in their suppositions. The science that invents a breech loading rifle of fearful destructive power will also be directed to the invention of means

whereby such powers can be lessened. The idea of preservation of life has been a foremost one to scientific men ; and if weapons are made that can destroy fifty thousand lives in ten minutes (provided the owners are unprotected, or rather garbed in penetrable material,) science will also invent bullet-proof clothing, and thus carry out the first dictate of nature. After all, and in view of this possible contingency, it is doubtful if the invention of breech loaders will be of as sterling value to the world at large as it is now popularly believed.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, ETC.

The British Board of Trade returns now begin to indicate the effect of the panic rate of discount on the trade of the country, the official statement of imports and exports for the month of August and the eight months ending August 31, just received, showing a very large diminution in the import trade of the country, whilst, on the other hand, the exports exhibit a considerable increase. A high rate for money has a tendency to encourage exports, but to operate as a check to imports, and this is the great feature of the statement recently issued by the British Board of Trade. As regards exports, it appears that the declared value of the shipments of British and Irish produce to all quarters, in the month of August, was £17,450,156, against £14,957,834 in the previous month, and against £14,158,648 in the corresponding month last year. The total for the eight months is £125,265,820, against £102,400,696 last year, and £108,716,219 in 1864. The figures for each month from January to August, inclusive, in each of the last three years, are as under :

	1864.	1865.	1866.
January.....	£10,413,586	£10,489,899	£14,354,749
February.....	12,698,121	11,376,214	15,116,063
March.....	13,555,674	13,770,154	17,520,854
April.....	13,225,089	12,071,111	15,366,414
May.....	14,176,640	13,194,738	15,870,131
June.....	13,978,526	13,227,062	14,630,120
July.....	14,394,364	14,118,410	14,957,834
August.....	16,374,269	14,158,648	17,450,156
Total.....	£108,716,219	£102,400,696	£125,265,820

The return of imports embraces a period of seven months, viz. : from January 1 to July 31, inclusive. In July the computed real value of the principle articles imported £3,650,000 less than in the previous month, the figures for June and July, respectively, being £23,243,701 and £19,597,929. The particulars of imports for each month in the year are subjoined :

	1864.	1865.	1866.
January.....	£7,520,356	£6,398,922	£9,847,564
February.....	13,214,541	12,891,252	16,610,159
March.....	16,396,928	13,005,394	19,891,204
April.....	17,587,565	13,073,755	22,455,968
May.....	23,392,601	14,595,334	23,224,762
June.....	21,498,185	15,407,688	23,243,701
July.....	20,458,253	13,964,190	19,597,929
Total.....	£119,068,429	£94,305,062	£134,871,287

The trade of Great Britain and the United States, during the seven months ending July 31, was to the value of nearly ten millions sterling greater in the department of British and Irish produce and manufactures than in the corresponding period in 1865. In those periods, and in 1864, the declared value of the exports of British and Irish produce, &c., was as follows :

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£12,669,886	£7,469,832	£16,268,977
Southern	77,402	84,755	643,890
Pacific ports	661,487	842,274	426,142
Total	£13,408,775	£7,846,861	£17,338,939

COTTON.

The imports of cotton into the United Kingdom in August were about 200,000 cwts. less than in the preceding month, the falling-off being almost wholly confined to the produce of this country. Egypt shows a decline ; but as regards India, there is a slight increase. The total for the eight months, however, is nearly 4,300,000 cwts. in excess of the corresponding period in 1865, the imports from the United States showing an increase of 3,720,000 cwts., and India an augmentation of 1,500,000 cwts. nearly. In the receipts from Egypt, however, there is a diminution of nearly 270,000 cwts., but it seems probable that during the ensuing season, owing to the favorable accounts respecting the new crop in that country, the arrivals from Alexandria will be on a much more extensive scale than during the present year. The imports of cotton into Great Britain for the eight months ending Aug. 31 were as under :

	1864.	1865.	1866.
From United States.....cwts	108,670	109,863	3,634,000
Bahamas and Bermudas.....	218,848	158,604	6,413
Mexico	163,769	275,550	3,145
Brazil.....	234,147	294,820	496,883
Turkey	147,932	166,604	83,930
Egypt.....	845,212	1,005,454	735,460
British India.....	2,212,270	1,941,401	3,439,087
China.....	537,965	301,509	17,949
Other countries.....	200,187	307,235	193,734
Total.....	4,670,000	4,561,040	8,609,601

The exports of cotton from Great Britain, owing to the close of the German War, are steadily on the increase, the shipments in August being 403,214 cwts., against 333,440 cwts. in July. For the eight months there is a balance in favor of this year of about 700,000 cwts. The statement of exports for eight months is annexed :

	1864.	1865.	1866.
To Russia.....cwts	125,849	163,716	243,235
Prussia.....	9,628	22,782	42,069
Hanover.....	40,937	14,011	5,618
Hanse Towns	370,762	395,360	516,477
Holland.....	312,233	262,216	347,665
Other Countries.....	597,506	727,909	1,127,323
Total....	1,526,916	1,585,994	2,287,607

The computed real value of the cotton imported in seven months, from January to July inclusive, was as follows :

	1864.	1865.	1866.
From United States	£1,345,647	£650,601	£22,004,469
Bahamas and Bermudas.....	2,505,879	1,354,786	43,484
Mexico.....	2,172,488	2,085,012	28,591
Brazil.....	2,873,296	2,189,806	3,618,768
Turkey.....	1,442,123	768,119	509,225
Egypt.....	10,192,905	7,291,833	6,168,081
British India.....	17,816,147	7,460,795	13,905,053
China.....	4,216,584	1,210,335	58,258
Other countries.....	1,923,197	1,574,102	1,233,805
Total.....	44,392,716	24,54,839	53,569,684

BREADSTUFFS.

As might have been anticipated, the return relating to the imports of Wheat and Flour into Great Britain presents many features of great interest, and so far as this country is concerned, the figures in one sense, viz. in the diminished exports from most continental countries, Russia alone excepted, are favorable. There is a slight increase in the importation of Wheat and Flour from this country, the total of those two articles in the month of August being 46,692 cwts, against 12,214 cwts. in the previous month. The total importation of Wheat and Flour in August was 660,000 cwts. less than in July. Prussia exhibits a considerable decline, the falling off in the import of Wheat being 340,000 cwts. The following is the statement of imports of Wheat, Flour and Indian Corn for eight months :

	1864.	1865.	1866.
From Russia.....cwts	2,144,753	4,336,307	4,610,396
Prussia.....	3,089,589	3,092,508	2,898,506
Denmark.....	555,914	345,204	854,108
Schleswig, Holstein, & Lauenburg.....	208,078	171,367	141,078
Mecklenburg.....	421,707	361,769	545,365
Hanse Towns.....	433,663	301,831	620,373
France.....	465,409	562,052	3,305,094
Turkey, Wallachia, and Moldavia.....	326,282	457,962	329,733
Egypt.....	366,854	.....	11,769
United States.....	6,137,894	664,923	845,750
British North America.....	621,735	222,067	8,789
Other Countries.....	230,653	750,333	2,353,399
Total.....	15,057,536	11,535,473	15,529,299

	1864.	1865.	1866.
From Hanse Towns.....cwts	223,921	154,401	181,232
France.....	1,445,550	1,550,369	3,078,740
United States.....	1,337,313	194,561	192,051
British North America.....	266,228	130,067	15,818
Other Countries.....	77,063	97,306	168,807
Total.....	3,355,080	2,121,704	3,637,648

BRITISH AND IRISH PRODUCE AND MANUFACTURES.

The total of these for the eight months is £23,000,000 greater than in the corresponding period last year. With this country, a large business has been done, of which the following are the particulars :

	1864.	1865.	1866.
Alkali.....	£275,017	£261,443	£615,117
Beer and ale.....	33,313	26,461	45,544
Coals.....	87,245	70,714	62,095
COTTON MANUFACTURES—			
Piece goods.....	1,431,160	977,600	2,446,194
Thread.....	159,302	75,259	241,353
Earthenware and porcelain.....	297,866	248,636	514,840
Haberdashery and millinery.....	702,183	476,769	929,090

HARDWARES AND CUTLERY—			
Knives, forks, &c.....	92,141	73,096	190,773
Anvils, vices, saws, &c.....	69,520	53,490	68,827
Manufactures of German silver.....	218,929	155,660	461,907
LINEN MANUFACTURES—			
Piece goods.....	1,905,040	1,619,106	2,785,336
Thread.....	151,597	87,264	167,170
METALS—			
Iron—Pig, &c.....	203,064	70,851	193,938
Bar, &c.	654,496	104,767	266,992
Railroad.....	767,134	231,869	507,809
Castings.....	13,082	3,023	12,242
Hoops, sheets and boiler plates.....	203,639	43,496	214,265
Wrought.....	209,326	90,196	151,004
Steel—Unwrought.....	391,093	184,109	435,451
Copper, wrought.....	12,982	21,203	31,793
Lead, pig.....	181,864	50,898	96,931
Tin plates.....	570,037	545,384	1,018,484
Oilseed.....	46,692	2,144	200,733
Salt.....	26,307	22,116	78,765
SILK MANUFACTURES—			
Broad piece goods.....	67,936	33,760	96,626
Handkerchiefs, scarfs, &c.....	17,022	1,295	7,088
Ribbons.....	27,538	17,571	29,332
Other articles of silk only.....	73,393	75,443	84,214
Other articles mixed with other materials.....	34,227	20,576	58,782
Spirits, British.....	10,140	2,754	10,360
Wool.....	37,242	10,132	9,300
WOOLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds.....	682,836	290,548	745,034
Carpets and druggets.....	262,890	157,113	547,953
Shawls, rugs, &c.....	59,473	18,028	36,436
Worsted stuffs of wool only, and of wool mixed with other material... ..	1,869,191	1,711,453	2,737,118

PROVISIONS.

The imports of butter, cheese and eggs have increased; nevertheless, the value of these articles continues to rule high throughout the United Kingdom; and there seems to be no prospect of a return to even a moderate range of prices for some time to come. The imports for eight months were:

	1864.	1865.	1866.
Bacon and hams, cwts.....	898,607	509,909	521,119
Beef, salt, cwts.....	242,472	161,558	148,362
Pork, salt, cwts.....	162,835	123,185	141,162
Butter, cwts.....	596,886	659,861	671,510
Cheese, cwts.....	440,284	456,102	406,610
Eggs, number.....	242,339,280	267,984,840	326,331,940
Lard, cwts.....	142,979	87,677	217,076

LIVE STOCK.

The cattle plague in the United Kingdom has almost entirely died out, the cases reported by the authorities being always less than one hundred per week. The stringent regulations enforced by the Government have not been modified, and as a large number of sheep infected with small pox were recently imported, it is expected that some time will yet elapse ere the cattle traffic of the United Kingdom will resume its normal position. Much attention appears to have been directed to the production of sheep since the cattle plague first broke out, and the supply of sheep in England has greatly increased during the last twelve months. Meat is still very dear in Great Britain; but there is a tendency to lower prices, and it is now stated that butchers' meat has seen its highest point. The ports of Rotterdam and Amsterdam are still prohibited from sending beasts, sheep, lambs and calves to England. The imports of cattle, &c. for eight months were as follows:

IMPORTS OF LIVE STOCK INTO GREAT BRITAIN.

	1864.	1865.	1866.
Sheep, bulls and cows	82,447	119,823	122,603
Calves	29,873	35,553	19,851
Sheep and lambs.....	256,694	427,439	590,549
Pigs and hogs.....	87,680	64,559	47,076

SHIPPING.

In the month of August and the eight months ending Aug. 31, the following number of American vessels entered and cleared at ports in the United Kingdom:

	Number.	Tonnage.
Entered in August, 1866.....	52	57,700
do 1865.....	45	49,125
do 1864.....	85	87,612
Entered eight months ending Aug. 31, 1866.....	314	324,845
do do do 1865.....	196	212,952
do do do 1864.....	287	320,940
Cleared in August, 1866.....	44	43,301
do 1865.....	39	41,206
do 1864.....	48	49,837
Cleared eight months ending Aug. 31, 1866.....	382	376,699
do do do 1865.....	212	212,764
do do do 1864.....	291	318,344

The following statement shows the number of vessels of all nationalities entered and cleared at ports in the United Kingdom from and for the United States in the above periods:

	Number.	Tonnage.
Entered in August, 1866.....	166	136,308
do 1865.....	62	70,655
do 1864.....	124	94,107
Entered eight months ending August 31, 1866.....	1,162	1,044,481
do do do do 1865.....	854	406,637
do do do do 1864.....	769	715,365
Cleared in August, 1866.....	107	120,969
do 1865.....	92	106,867
do 1864.....	92	100,115
Cleared eight months ending August 31, 1866.....	962	1,008,568
do do do do 1865.....	536	624,092
do do do do 1864.....	825	850,919

COTTON CROP FOR 1865-66.*

We are now able to give our figures showing the total crop and movement of cotton in the United States for the year ending September 1, 1866. It will be seen that the receipts for the twelve months reach in the aggregate 2,241,222 bales: to which if we add the receipts from the close of the war† to the first of September, 1865, we have the aggregate receipts 2,662,222 bales. Estimates differ with regard to the amount of the old crop still in the South not brought forward. We put it at 150,000 bales, which gives us 2,812,222 bales as the total cotton supply of the South since the war closed. We thus see that the highest estimates made were more nearly correct than any others. Below we give our table showing the total receipts and exports the

* This article was prepared and most of the figures in type before we had seen the statement of the crop which has been issued by the *Shipping List* of this city, within a day or two. Our figures differ somewhat; but we believe those we give can be relied upon, as we have kept the record with the greatest care from week to week.—*Ed. COMMERCIAL AND FINANCIAL CHRONICLE.*

† We take the estimate given by Neil Brothers of the receipts before the first of September, 1865 as we kept no record at that time.

past year, to which we have added the export figures for 1860-61 for comparison. In the last column will be found the total stocks, August 31, 1866.

Receipts and Exports of Cotton (bales) from Sept. 1, 1865, to Sept. 1, 1866, and Stocks at latter date.

Ports. From Sept. 1, '65, to Sept. 1, 1866.	Received since Sept. 1, '65.	—Exported since Sept. 1, '65, to—				Exports in 1860-6.	Stocks, Sept. 1, 1866.
		Great Britain.	France.	Other for'gn.	Total.		
N. Orleans*	711,639	358,878	134,510	22,800	516,188	1,783,673	102,029
Mobile.....	429,102	229,171	40,184	1,579	270,934	456,421	29,009
Charleston †	110,761	46,952	6,050	823	53,824	214,868	5,535
Savannah.....	265,026	91,418	1,492	.....	92,905	302,187	8,144
Texas.....	175,065	59,435	1,739	3,214	64,388	63,209	7,616
New York‡	234,461	413,937	38,618	42,917	495,462	248,049	86,642
Florida.....	149,432	37,977	.....	.....	37,977	28,073	162
N. Carolina.....	64,653	21	.....	.....	21	195	.....
Virginia.....	39,098	.....	.....	.....	.....	810	.....
Boston.....	.....	11,759	.....	255	12,014	23,225	\$46,000
Philadelphia.....	.....	2,085	.....	.....	2,085	2,793	
Baltimore.....	.....	6,709	.....	.....	6,709	3,545	
Other ports. §	62,000	...	.....	.....	.....	.....	.....
	2,241,222	1,258,277	222,593	71,817	1,552,457	3,127,568	261,179

It will be seen from the foregoing that the exports from all the ports, for the year, were 1,552,457 bales. If we average the bales at 400 lbs., we find that the value, in gold, of our cotton exports was over 230 millions of dollars. What stronger argument than this mere fact could be used to show the impolicy of fettering the cultivation of this staple with regulations and taxes which may discourage its cultivation. For the convenience of our readers we give in the table below the portion of these exports which were shipped directly from the South. The total thus shipped will be found to be 11,036,237 bales, leaving 516,220 bales as the exports through the Northern ports :

	New Orleans.	Mobile.	Charles- ton.	Sa- vannah.	Texas.	Flor- ida.	N. C.	Total South'n ports.
Liverpool.....	358,878	228,016	46,952	91,418	59,435	37,977	21	822,607
Other ports.....	.....	1,155	.....	.....	.....	.....	..	1,155
Total, G. Britain	358,878	229,171	46,952	91,418	59,435	37,977	21	823,847
Havre.....	183,744	40,184	5,952	1,492	1,739	.....	..	.....
Bordeaux, &c.....	766	.....	98	.....	.....	.....	..	.....
Total, France	184,510	40,184	6,050	1,492	1,739	.....	..	183,975
Brem. & Hanov. &c	8,721	270	.....	.....	3,014	.....	..	.....
St. Petersburg, &c.....	1,701	.....	.....	.....	.....	.....	..	.....
Total, N. Europe	5,422	270	.....	.....	3,014	.....	..	8,706
Oporto, Spain, and.....	.....	.....	.....	.....	.....	.....	..	.....
Gibraltar.....	16,454	1,268	510	.....	.....	.....	..	.....
Genoa, Trieste, &c.....	286	.....	812	.....	.....	.....	..	.....
Mexico, &c.....	638	41	.....	.....	200	.....	..	.....
Total, other	17,378	1,809	822	.....	200	.....	..	19,709
Total exports	516,188	270,934	53,824	92,905	64,388	37,977	21	1,036,237

Below we give our own detailed statement of the movement of cot-

* In the New Orleans receipts, we deduct receipts from Mobile, Montgomery, Florida, and Texas (in all 75,757 bales), as they are counted in the receipts of those ports respectively.

† From the receipts at Charleston, we deduct 945 bales received from Florida.

‡ These are the shipments from Tennessee, Kentucky, &c., not otherwise counted.

§ Estimated. ¶ The receipts included under this head are the estimated amount manufactured in Virginia, the West, &c., together with the amount burned in New York.

on through the year, and, for comparison, bring forward the figures for the year 1860-61, as published in the *Shipping List* at that time:

Louisiana.

	1865-66	1860-61
Exported from New Orleans:		
To foreign ports.....	516,188	1,783,673
To coastwise ports.....	252,355	182,179
Burnt at New Orleans.....	...	8,276
Stock at close of year.....	102,082— 870,625	10,118— 1,929,246
Deduct:		
Received from Mobile.....	86,483	48,270
Received from Montgomery.....	4,378	11,551
Received from Florida.....	12,785	13,279
Received from Texas.....	32,111	80,613
Stock beginning of year.....	83,239— 158,996	73,239— 117,647
Total product for year.....	711,629	1,751,590

Alabama.

Export from Mobile:		
To foreign ports.....	279,934	456,421
To coastwise ports.....	142,764	127,574
Manufactured in Mobile.....	...	2,000
Burnt at Mobile.....	6,307	...
Exported to N. O. from Montgomery.....	4,378	11,551
Stock at close of year.....	29,000— 453,392	2,481— 600,027
Deduct stock beginning of year.....	24,290	41,602
Total product for year.....	429,102	558,345

Texas.

Export from Galveston, &c.:		
To foreign ports.....	64,388	63,209
To coastwise ports.....	115,943	84,254
Stock at close of year.....	8,511— 188,922	452— 147,915
Deduct stock beginning year.....	18,857	8,168
Total product for year.....	175,063	141,747

Florida.

Exported from Apalachicola, St. Mark, &c.:		
To foreign ports.....	37,977	28,073
To coastwise ports.....	123,943	85,953
Burnt at St. Marks.....	...	150
Stock at close of year.....	162— 162,062	7,860— 122,038
Deduct stock beginning of year.....	12,650	864
Total product for year.....	149,482	121,173

Georgia.

Export from Savannah:		
To foreign ports—Uplands.....	88,313	293,746
Sea Islands.....	4,592	8,441
To coastwise ports—Uplands.....	161,056	170,572
Sea Islands.....	5,118	11,512
Stock in Savannah end of year.....	6,633	4,102
Stock in Augusta, &c., end of year.....	9,558— 275,264	5,991— 494,864
Deduct:		
Received from Florida—Sea Islands.....	...	1,033
—Uplands.....	...	6,188
Stock beginning of year—Savannah.....	4,005	4,307
Augusta.....	6,233— 10,238	5,252— 16,780
Total product for year.....	265,026	477,584

South Carolina.

Exports from Charleston and Georgetown:		
To foreign ports—Uplands.....	51,619	199,345
Sea Islands.....	2,205	15,043
To coastwise ports—Uplands.....	50,884	121,663
Sea Islands.....	3,435	8,355
Burnt at Charleston.....	...	564
Stock in Charleston end of year.....	5,535— 113,673	2,899— 347,860

Deduct:				
Received from Florida and Savannah.....				
—Sea Islands.....	945		255	
Uplands.....			2,878	
Stock in Charleston beginning of year.....	1,972—	2,917	8,897—	11,530
Total product for year.....		110,761	8,6,839	

North Carolina.

Export:				
To foreign ports.....	21		195	
To coastwise ports.....	64,682—	64,653	00,156—	56,29 ₅

Virginia.

Export:				
To foreign ports.....			810	
To coastwise ports.....	87,648		61,129	
Manufactured (taken from ports).....	No account		16,993	
Stock end of year.....	8,250	40,898	2,000—	80,532
Deduct stock beginning of year.....		1,800	2,800	
Total product for year.....		39,098		78,132

Tennessee, &c.

Shipments from Memphis, Nashville, Columbus, Hick-				
man, Ky., &c.....	275,158		392,428	
Stock end of year.....	3,466—	278,624	1,671—	393,499
Deduct:				
Shipments to New Orleans, &c.....	33,132		196,366	
Stock beginning of year.....	10,831—	44,163	1,709—	198,075
Total product for year.....		234,461		195,424

PACIFIC RAILROAD OF MISSOURI.

The Pacific Railroad of Missouri consists of a main line extending west from St. Louis to the Kansas State line, 283 miles, with a branch from Franklin to Rolla, 77.5 miles, to be continued to the southwest corner of the State. The main line is the connecting link between the eastern roads and the Union Pacific (E. D.), now open to Fort Riley and Junction City, 140 miles into the very heart of Kansas. It also connects at Kansas City with the Missouri River Railroad, extending thence to Leavenworth. The branch points toward the Southern Pacific Railroad and any railroad that may be constructed to Galveston on the Gulf of Mexico. The company is one the great Land Grant and State-Aid Corporations of Missouri. It was chartered February 12, 1849, and organized January 31, 1850. In June, 1850, surveys for the lines were commenced, and July 4, 1851, the formal breaking of the ground took place. The main line was completed through so as to admit of trains being run over it September 20, and regular operations were commenced October 2, 1865. The construction of the road has thus being going on (with interruptions) through nearly fifteen years. The following statement gives the dates at which the several portions of the main road was brought into use:—from St. Louis to

Cheltenham.....	5.90	Dec. 23, 1852	Sedalla.....	159.00	Feb. 1, 1861
Kirkwood.....	13.00	May 9, 1853	Dresden.....	196.00	May 10, 1863
Franklin.....	37.00	July 20, 1853	Knobnoster.....	207.50	May 2, 1864
Washington.....	54.00	Feb. 11, 1854	Warrensburg.....	218.00	July 3, 1864
Hermann.....	81.00	Aug. 7, 1854	Holden.....	232.25	May 28, 1865
Jefferson City.....	125.00	Mar. 13, 1856	Keysville.....	237.00	June 14, 1865
California.....	150.00	May 14, 1858	Pleasant Hill.....	248.50	July 26, 1865
Tipton.....	163.00	July 26, 1858	Independence.....	272.60	Sep. 19, 1865
Syracuse.....	168.00	Aug. 1, 1859	and to.....		
Otterville.....	176.00	Aug. 24, 1860	Kansas City.....	283.00	.....
Smithton.....	181.50	Nov. 12, 1860			

—the road between Independence and Kansas City having been in operation some months (since July) previous to the completion of the road to Independence.

The Southwest Branch (which, as projected, will have a length equal to that of the main line) was opened to Staunton, 28 miles from Franklin, in 1857, to Harrison, 47 miles, in 1859, and to Rolla, 77½, in 1861. This branch, on account of default in paying interest on the State loan was last Spring taken possession of by the Governor, and has been recently sold to a new organization, which have undertaken to complete it within a given time. At the date of the last report it was being operated by State commissioners. The following statement describes the rolling stock owned by the company at the commencement and close of the last fiscal year:

	—Pass. T. C.—				—Freight Train Cars.—				Total
	Eng.	Pass.	B. & exp.	Mail.	Box.	Ca-boose.	Stock.	Flats.	
March 1, 1865.....	42	26	8	6	184	20	98	218	564
Feb. 28, 1866.....	48	31	17	7	239	23	183	211	676
Increase.....	6	5	9	1	55	3	85	11	112
Decrease.....	..	..	..	..	..	..	..	7	

The number of miles run by engines on the total road was, in 1864-5, 698,977 miles at a cost of \$232,395 17 (= 33½ cents per mile :) and, in 1865-6, 831,433 miles at a cost of \$348,942 54 (= nearly 43 cents per mile.)

A full history of the road from its inception in 1849 to the close of the last fiscal year is given in the current Report. It is particularly interesting in its details of the raids by which it has several times been interrupted, and also of the relations of the company to the State government. The report can be obtained from the office at St. Louis.

OPERATING ACCOUNTS—EARNINGS AND EXPENSES.

The gross earnings from operations, and the transportation expenses for the fiscal years ending March 1, 1862-66, both inclusive (with the average length of road in use) have been as shown in the following statement:

Main line of Railroad.

Sources of revenue.	1861-62. (189 m.)	1862-63. (189 m.)	1863-64. (194 m.)	1864-65. (214 m.)	1865-66. (252 m.)
Passengers.....	\$280,942 27	\$253,029 67	\$315,790 41	\$453,860 41	\$531,245 41
Freight.....	294,833 51	396,569 74	560,744 59	609,272 14	924,075 86
Mails.....	23,350 00	23,350 00	23,350 00	30,487 50	37,996 25
Rents, &c.....	2,180 71	1,986 65	3,860 95	5,127 64	1,039 00
Total earn'gs.....	\$706,306 49	\$679,956 06	\$906,745 95	1,097,967 69	1,794,356 32
Trans. expe's.....	353,978 53	452,557 58	546,161 99	886,483 23	1,393,580 08
Net earnings.....	\$352,327 96*	\$227,398 48	\$360,583 96	\$211,484 46	\$400,826 14

Southwest Branch Railroad.

Sources of Revenue.	1861-62. (113 m.)	1862-63. (113 m.)	1863-64. (113 m.)	1864-65. (113 m.)	1865-66. (113 m.)
Passengers.....	\$94,863 97	\$88,225 97	\$ 5,114 15	\$84,264 07	\$69,923 61
Freight.....	82,663 48	149,451 85	160,792 25	107,902 30	82,501 34
Mails.....	3,799 97	3,800 00	5,614 60	5,775 00	5,775 00
Rents, &c.....	.....	.....	.....	12 00	.....
Total earnings.....	\$180,327 42	\$24,481 83	\$25,551 00	\$197,713 38	\$158,199 95
Transportation Ex.....	70,470 70	112,595 58	150,892 00	195,849 47	201,866 70
Net earnings.....	\$109,856 72	\$128,886 25	\$100,668 99	\$1,863 91	\$.....
Loss on operating Southwest Branch 1865-66.....					\$43,676 75

Main Line and Southwest Branch together.

	1861-62. (301 m.)	1862-63. (302 m.)	1863-64. (307 m.)	1864-65. (327 m.)	1865-66. (338 m.)
Gross Earnings.....	\$386,633 81	\$921,437 89	\$1,158,293 95	\$1,295,681 07	\$1,552,574 77
Operating Expen.....	424,449 23	565,153 16	6 7,444 00	1,032,322 70	1,355,867 77
Net earnings.....	\$462,184 58*	356,284 73	461,252 95	\$212,348 37	\$352,107 00

In the transportation expenses are included the cost of extraordinary repairs, etc., caused by the damages sustained at the hands of the rebels, and hence are no criterion by which to estimate the future ordinary expenses.

The following statement shows the gross earnings on the main line in each fiscal year from the commencement of operations :

1852 (3 days).....	\$108 15	1857-58.....	\$668,346 59	1862-63.....	\$673,237 54
1853.....	41,823 27	1858-59.....	674,248 95	1863-64.....	945,735 84
1854-55 (14 m.).....	97,178 39	1859-60.....	648,600 00	1864-65.....	1,097,367 54
1855-56.....	830,222 21	1860-61.....	683,644 25	and	
1856-57.....	426,235 97	1861-62.....	706,306 49	1865-66.....	1,797,356 22

When it is recollected that these earnings have been made on a road only opened through last October, these figures are certainly very encouraging, and promise well for the future, when thoroughly equipped, and its extension to the Pacific Ocean accomplished.

CONDENSED BALANCE SHEET, MARCH 1.

The financial condition of the company, as exhibited on the Balance Sheet at the close of each of the last three years 1864-65 and 1866 is shown in the statement which follows :

Main Line of Railroad—March 1.

	1864.	1865.	1866.
Capital Stock paid in.....	\$3,493,715 73	\$3,497,085 45	\$3,571,392 77
State Bonds.....	7,000,000 00	7,000,000 00	7,000,000 00
Mortgage Construction.....		1,214,000 00	1,500,000 00
St. Louis County Bonds.....		12,350 00	700,000 00
Land Grant Sales.....	108,963 01	111,215 97	121,000 00
" " Rents.....	155 40	216 90	257 50
Bills payable.....	49,144 80	941,309 21	911,600 00
Audited accounts unpaid.....	75,908 74	406,003 03	232,754 84
Transportation Receipts.....	5,567,957 77	6,645,300 15	8,461,000 00
Total ..	16,294,845 45	19,229,380 70	22,524,347 51

Against which are found charged as follows, viz :

Construction—East.....	\$6,001,870 96	\$6,082,716 87	\$6,051,298 00
" —West.....	2,506,123 15	4,093,411 53	5,131,229 35
Rolling Stock.....	761,447 16	1,101,970 76	1,504,133 00
Office expenses.....	119,471 56	133,635 17	1,129 00
Contingences.....	73,026 61	73,026 75	73,119 00
Discount on Construction and anticipations.....	8,800 00	8,800 00	8,800 00
Commission on purchases.....	17,875 75	17,875 75	17,875 75
Interest account.....	718,828 88	730,941 28	921,257 00
Interest, discounts and commissions.....	1,137,994 03	1,141,078 59	1,234,333 00
Suspended debts.....	219,148 09	214,148 09	214,148 09
Cancelled debts.....			161,629 00
Materials on hand.....	43,935 71	129,403 29	122,569 00
Cash in hands of Treasurer.....	65,341 77		
" " of Trustees.....		21,724 05	21,575 00
" " of fund commissioners.....		3,155 25	2,891 00
Land grant expenses ..	5,357 77	5,352 43	6,044 00
Transportation expenses ..	4,616,148 06	5,502,631 29	6,995,162 00
Due by Southwestern Branch.....			61,900 00
Total ..	16,294,845 45	19,229,380 70	22,524,347 51

* Less State of Missouri by \$9,240 80, not allowed.

Southwest Branch Railroad.

	1864.	1865.	1866.
Capital Stock paid in	\$70,513 83	\$70,513 83	\$
State Bonds	1,268,004 00	1,268,000 00	1,268,000 00
Construction Bonds.....	3,232,000 00	3,243,000 00	3,282,000 00
Sales of Lands	20,655 83	20,655 83	20,655 83
Rent of Granby Mines.....	24,328 94	24,328 94	24,328 94
Transportation receipts	767,809 55	960,640 20	1,151,718 40
Audited Accounts unpaid .....	.....	.....	95 00
Balance due Main Line.....	.....	.....	61,968 12
Total	5,385,307 65	5,576,188 80	5,758,766 29

Against which are found charged, viz:

Construction.....	\$3,098,253 23	\$3,098,939 84	\$3,092,574 84
Rolling Stock.....	116,926 86	116,926 86	119,737 87
Office expenses.....	84,870 61	41,912 61	46,650 50
Commission on purchases.....	2,140 93	2,140 93	2,140 03
Contingences	24,129 17	24,166 92	28,696 92
Interest on Bonds.....	567,821 94	567,821 94	577,321 94
Materials on hand	49,781 56	.....	.....
Cash.....	.....	81,992 61	.....
Discounts and Commissions.....	1,028,539 59	1,032,975 59	1,032,765 59
Expenses of Geological Survey, &c.....	42,020 22	42,309 16	42,309 16
Transportation expenses	421,833 55	617,661 84	819,538 54
Total	5,385,307 65	5,576,188 80	5,758,766 29

THE MEMPHIS AND CHARLESTON RAILROAD.

The Memphis and Charleston Railroad, from its geographical position and direction, and from its eastern connections, continuing it to the great Atlantic ports, from Alexandria to Savannah inclusive, is evidently one of the most important lines of transit in the States south of the Ohio river. Commencing at Memphis, it traverses southwestern Tennessee, then passing south into Mississippi, striking Corinth, and thence eastward through Alabama, *via* Tuscumbia, Decatur and Huntsville to Stevenson, where it connects with the Nashville and Chattanooga Railroad, a distance from Memphis of 272 miles; thence it is continued to Chattanooga by the latter road a further distance of 37 miles. As is well known this latter point is the most important between the Mississippi and the seaboard, being a grand centre of converging railroads, which come in from Alexandria, Richmond, Charleston and Savannah. At Memphis the road is connected with the Memphis and Little Rock Railroad, nearly completed to the capital of Arkansas. At Moscow it gives off the Somerville branch of 14 miles. At Grand Junction, 52 miles east of Memphis, it is crossed by the Mississippi Central Railroad; at Corinth, 93 miles east, by the Mobile and Ohio Railroad; and at Decatur, 188 miles east, by the Nashville and Decatur Railroad, etc. There is also a branch from Tuscumbia to Florence. Thus, in whatever direction, whether looking east, west, north or south, we find the road connected or intersected by the most important lines of the country, reaching with their combinations from the lakes to the Gulf, and from the Atlantic to the far interior. Such a line cannot be without a vast significance in the railroad system both of the present and the future, and hence its affairs, in a financial as well as a physical sense, must command the attention of all men interested in the development and progress of the vast country traversed by it, and over which it throws its wide-spreading arms.

The report of the President to the stockholders giving a complete statement of the transactions of the Company for the five years ending June 30, 1866, covering the period of the war, has been sent to us; and from it and previous reports we compile such statements as will best illustrate the eventful history and present condition of the company and their road. When the last annual report was published for the year ending June 30, 1861, the country was engaged in a civil war which had changed and disturbed every channel of trade and commerce, and utterly destroyed all natural and healthy business, leaving the railroad dependent for support on a precarious war-created traffic. This road, however, continued in the hands of the company, though subject to military control, until April 11, 1862, when a large federal army suddenly appeared at Huntsville, Ala., capturing the road, offices, rolling stock, material, etc., belonging to the company. Only five days previous to this capture the bloody battle of Shiloh had been fought near the line north of Corinth, and the western division fell into the hands of the Confederate army. The siege of Corinth succeeded and continued through the remainder of April, and to May 30, when on the withdrawal of the Confederate forces all the moveable property of the company within their reach was ordered to be taken down the Mobile & Ohio and the Mississippi Central Railroad. The destruction of property in these migrations was immense. Locating at Marion, Miss., temporary shops were erected for putting the machinery in order; but as fast as an engine and car was completed it was ordered away by the military authorities. This enterprise was, on this account, soon abandoned, and the agents of the company were then allowed to hire out their rolling stock to needy roads, and receive therefor stipulated rents, which during 1863-4-5 constituted the chief source of income to the company. In the fall of 1862 the eastern division of the road between Stevenson and Decatur was evacuated by the Federals, and the company resuming possession, rebuilt and repaired the road sufficiently to bring that portion of the line into use again. Operations, however, were soon interrupted, and on the 1st of July, 1863, the Confederate commander forced the company to evacuate the line and carry the rolling stock South. From this time until the close of the war, the property, or most of it, remained in the hands of the Federal army, but subject to frequent raids by the Confederates. The contest over this section of the country, indeed, was so hot that neither party had been able to operate the road through after it was first cut in April, 1862. Subsequently to the surrender of Lee, the company applied to the President to release their road; and, after some necessary forms of procedure, they succeeded in obtaining the transfer. On the 11th of September, 1865, the western division was surrendered, only seventy-four miles of which (Memphis to Pocahontas) were in running order, the remainder 114 miles (Pocahontas to Decatur) being almost entirely destroyed, except the road-bed and iron rails, and these in a very bad condition. What little machinery the war had left was scattered over the South, and had been run for four years with little or no repairs. To supplement this, the company purchased of the United States military authorities sufficient rolling stock to operate the open portion of the line, for which they gave bond to pay \$491,920 68 on the 1st of January, 1867—this bond to be credited with all service performed by the company for

the Government. The Government also turned over to the company eighteen locomotives that had been captured in the early part of the war, which added largely to their ability to prosecute repairs and do such business as was offered on the line.

The work of construction, equipping, and reorganizing the road was prosecuted with all the vigor and energy that the means of the company and the condition of the country and its labor would admit. It was operated as fast as repaired, and on the 6th of November, 1865, trains were run over the entire main line, except the single break at Decatur, where the bridge over the Tennessee had been destroyed. This bridge, however, was eventually restored, and trains passed over it on the 7th of July, 1866.

From the above it would appear that the road in all the five years covered by the report, has been in the hands of the company but a few months at most. After April 11, 1862, and to September 11, 1865, it was in possession of, or interrupted by one or both contesting armies. After the final release in September, 1865, and for two months thereafter, a large part of the line was in no condition for use, and that even at the close of the five years on the 30th June last, the bridge at Decatur was not yet finished. These facts are the necessary key to the company's accounts, and as such they are given in this connection.

In the following tables we give an analysis of the earnings from operations and other sources of income for the five years ending June 30, 1866, and the disbursements for ordinary expenses, interest, dividends, &c., for the same period of time, with the final disposal of net revenue and the balance to debit of this account. In this statement will be found all the elements necessary to the understanding of the financial operations of the company from 1861 to 1866, and which in connection with the foregoing historical resume, and the general balance sheet (which is given hereafter,) will suffice to illustrate the consequences of the hostilities which made the M. & C. R. R. and its vicinity the chief field of operations:

PROFIT AND LOSS ACCOUNT—1861-66.

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66
Passenger.....	\$931,305 11	\$76,810 15	\$.....	\$8,307 65	\$582,157 64
Freight.....	946,696 70	79,825 81	.....	27,530 55	589,916 62
Mails.....	43,858 11	4,703 35	.....	.....	20,506 43
Express.....	58,466 84	.....	.....	.....	51,092 50
Rents.....	.....	238,738 70	477,562 45	703,411 65	29,933 91
Suspense account....	.....	138,903 31	.....	.....	.....
Materials.....	.....	.....	301,953 77	69,213 79	.....
Drawbacks.....	.....	.....	24,127 16	.....	.....
Other sources.....	4,279 09	28,119 79	.....	.....	700 00
R.R. mat. on hand .....	.....	.....	37,386 19	.....	6,750 91
Interest & exch'ge.....	.....	.....	.....	.....	158,555 12
Total resources	1,984,105 85	\$567,101 14	\$841,029 37	\$808,525 64	1,439,613 13

Against which are charged as follows, viz:

Road expenses.	\$631,002 84	\$105,126 21	\$49,310 53	\$60,850 46	\$650,164 93
Int. on State bonds.....	64,860 00	64,680 00	64,740 00	64,740 00	.....
Int. on Co's bonds.....	103,530 00	88,585 00	90,930 00	90,580 00	90,580 00
Cash div'd (6 p. c.).....	212,509 00	212,509 00	.....	.....	.....
Stock div. (33½ p. c)	1,230,841 67	.....	.....	.....	.....
Int. and exchange.....	.....	.....	52,944 68	197,231 55	.....
Total disburse'mts.	2,242,743 01	\$470,900 21	\$257,925 21	\$413,402 01	\$740,744 93

The balance to credit of profit and loss remaining over on the 1st July, 1861, amounted to..... \$993,198 53

To which add—

Income and resources, 1861-62, as above.....	\$1,984,105 85
do do 1862-63 do	567,101 14
do do 1863-64 do	841,029 57
do do 1864-65 do	804,525 64
do do 1865-66 do	1,439,613 13— \$5,640,235 3
Total resources, including balance	\$6,633,573 86

From which deduct—

Cash dividend, No. 5, Sept. 30, 1861.....	\$152,501 00
Disbursements, as above, 1861-62.....	\$2,342,743 01
do do 1862-63.....	540,900 21
do do 1863-64.....	257,935 21
do do 1864-65.....	413,402 00
do do 1865-66.....	740,744 98— \$4,783,214 2
Balance to be accounted for.....	\$2,255,357 6
Due by Confederate States charged off.....	107,900 77
Coupon Bonds, (Tenn. War, repudiated and Confederate States ...	91,850 00
Confederate Money on hand and in hands of Agents, charged off .	41,896 57
Loss on Cotton; purchases made in Confederate and sales in Fed- eral currency.....	313,131 89
Deductions made on Railroad and Individual Accounts, reducing them to Federal currency	287,156 03
Bank of Tennessee deposit, C. S. currency—worthless	63,577 50
Premium Shelby Iron Co.'s stock, purchased in Confederate money	50,000 00
Agents for C. S. accounts, and money on hand, in their hands, and reducing same to Federal currency	21,122 41
Railroad Supply Co. investment in Confederate currency; assets received in gold....	24,056 50
W. B. Vincent, tobacco lost	1,069 14
J. F. Pride & Co., (Negro hire)	1,253 33
Sundry accounts on Books, (E. D.) reduced from Confederate to Federal currency	7,940 79
Interest paid the State of Tennessee in Confederate money, which she repudiated, and interest accruing 1st Jan'y, 1866, in present liabilities, paid in currency.....	163,330 00
Losses to construction accounts, Road Materials and equipments by the war, and charged off so as to show the value of the prop- erty at the close of the war.....	1,195,166 79— \$ 2,357,571 3
Balance against account July 1st, 1866.....	\$111,924 2

The following shows the loss and damage to roadway, materials, rolling-stock and other property of the Company by the war, from April 11, 1862, to July 1, 1865 :

Bridging and trestles.....	\$223,683 00	Freight cars (593).....	\$239,459 00
Depot buildings.....	58,700 00	Passenger and baggage.....	21,500 00
Division houses, sheds, &c.....	42,000 00	Shop machinery.....	3,563 00
Tools.....	4,000 00	Locomotives (48).....	150,000 00
Road, viz., gravel, wrecking, &c., cars	23,250 00	Railroad materials.....	30,000 00
Miscellaneous.....	245,941 79		
	\$597,574 79		\$597,592 00
Total amount of loss and damage (as charged above).....			\$1,195,166 79

The table which follows shows the changes effected in the construction account from July 1, 1861, to June 30, 1866 :

	Cost of road, &c., to July 1, '61.	Damages to road, &c., 1861-65.	Exp'tures in reb'lding, 1865-66.	Cost of road, &c., July 1, 1866.
At'ney's fees & court costs....	\$12,431 42	\$	\$	\$14,741 27
Ballasting.....	6,232 51	..	..	6,232 51
Bridges and trestles.....	416,246 70	156,783 00	136,473 42	400,017 35
Cross-ties.....	201,960 23	18,700 00	18,700 00	201,960 23
Depot buildings, cotton platforms, and road crossings.....	235,270 89	58,700 00	44,016 91	230,575 91
Division and tool houses.....	25,041 83	20,000 00	15,668 70	21,755 45
Engineering & conting'cles.....	153,732 01	..	..	136,672 66
Florence branch.....	220,427 17	66,900 00	..	154,727 17
Fencing.....	4,047 58	..	..	1,000 42
Freight cars.....	408,214 02	315,300 00	190,760 96	262,831 35
Grading, masonry, clearing, grubbing....	1,920,261 27	..	..	1,946,441 31
Salaries.....	57,005 75	..	..	57,005 75
Iron spikes, castings, &c.....	1,936,491 78	71,700 00	66,460 21	1,944,791 61

Locomotives.....	453,697 79	150,000 00	184,750 00	467,947 79
Machine shops and engine houses.....	115,688 42	.....	.....	116,014 97
Machinery for shops	47,542 65	36,642 00	83,174 78	43,775 38
Passenger & baggage cars.....	115,194 71	81,500 00	40,140 00	71,434 71
Right of way.....	39,648 75	..	.....	46,303 00
Road and hand cars.....	18,885 67	7,400 00	9,683 75	21,019 42
Real estate.....	67,073 52	.....	.....	64,169 82
Track-laying	236,305 09	81,541 79	81,541 79	236,607 11
Contingent expenses.....	24,696 82	.....	59 23	24,756 05
Wood and water stations.....	72,747 65	22,000 00	15,617 53	68,568 57
Commissions	24,653 51	.....	.....	24,653 51
Discount on Co.'s bonds.....	199,696 26	.....	.....	199,696 26
Stationery and printing.....	2,242 18	.....	.....	2,290 18
Totals... ..	\$7,016,625 03	\$1,087,166 79	\$839,087 23	\$6,810,488 83

The cost of road, &c., in 1866, includes some permanent work and equipment, added in 1861-2, to the amount of \$41,943 36.

BALANCE SHEET—JUNE 30, 1866.

The financial condition of the company, as shown on the general balance at the close of the last fiscal year, is seen in the following statement :

	West'n div.	East'n div.	Whole line.
Capital stock.....	\$1,983,900 00	\$3,323,825 00	\$5,312,725 00
Company bonds.....	120,000 00	1,174,000 00	1,294,000 00
State of Tennessee.....	1,591,990 00	.....	1,591,990 00
Floating debt.....	1,070,344 26	391,970 11	1,462,314 37
(Huntsville office*.....)	1,002,949 10	.....	.....
Receipts, 1865-6.....	1,432,862 23	.....	1,432,862 23
Total.....	\$6,204,096 48	\$4,889,795 11	\$11,093,891 59

Against which are charged, viz. :

Construction proper.....	\$2,559,820 18	\$3,083,741 56	\$5,643,561 74
Incidental to construction.....	84,669 54	237,978 78	322,648 32
Equipment.....	374,807 10	469,476 67	844,283 77
Interest and expenses.....	740,744 93	.....	740,744 93
Stock, property, &c.....	414,832 78	34,559 66	448,922 44
Coupon bonds on hand.....	1,380,000 00	.....	1,380,000 00
Other assets.....	848,639 53	61,063 64	909,703 81
(Memphis office*.....)	.....	1,002,949 10	.....
Profit and loss.....	804,031 52	.....	804,031 52
Total	\$7,207,045 58	\$3,836,846 01	\$11,093,891 59

The profit and loss debit, \$804,031.52, was reduced by the entries for 1865-66, made July 1, to \$111,914.23, as shown in the account previously given.

The changes made in the stock and bond account since July 1, 1864, have been as follows: at that date the capital stock amounted to \$3,812,525, and was increased by the stock dividend 33 1-3 per cent (\$1,330,841.67, less \$10,641.67 fractional paid in cash), and the conversion of 180 bonds (\$180,000) to \$5,312,725. The company bonds, July 1, 1861, amounted to \$1,569,000, and were reduced by conversion (\$180,000), and by purchase with Confederate money (\$95,000), leaving the present amount at \$1,294,000. The debt to the State in 1861 was \$1,080,000, and in 1866 \$1,591,990, having been increased by a new loan of \$300,000, and the funding of coupons of the old debt from Jan. 1, 1862 to Jan. 1, 1866, \$259,200, making the debt \$1,640,200, less sinking fund which was paid previous to the report of 1861 \$48,210.

* This account between the Memphis and Huntsville offices does not, of course, enter the aggregate account.

The aggregate floating debt \$1,462,314.37 (in 1861 only \$259,634.11) is made up thus: bills payable \$231,111.25, bills payable to United States \$491,920.68, due individuals \$219,422.69 and sundries (chiefly current) \$127,889.64.

On the other side of the account there appears an item headed "coupon bonds on hand" \$1,380,000. These consist of Tennessee 6's \$1,050,000, Selma and Meridian Railroad 1st mortgage bonds \$200,000, South and North Alabama Railroad 1st mortgage bonds \$100,000, and Mobile and Ohio Railroad 1st mortgage bonds \$30,000.

The assets of the Company other than the bonds as above consist of bills receivable \$122,782.73, individual dues \$154,328.98, due by agents \$14,939.30, due by connecting roads \$46,9761.92, due by United States \$72,447.26, cash on hand \$69,443.68, and cotton unsold \$6,000—total as above \$909,703.87.

Commenting on these matters the President's Report to the stockholders says: "One of the largest items increasing your liabilities since last report (1861) as will be seen by the Treasurer's Balance Sheet and profit and loss account is—

Accrued interest to the State of Tennessee.....	\$271.73
" " on Company bonds.....	464.26

—total \$761,984. This includes all interest to May 1866 on company bonds and to July, 1866, on State bonds.

The President states in his report that the holders of past due coupons, have shown no disposition to embarrass the company by pressing their claims; but some arrangement should be made at an early day to take up these coupons and resume the payment of interest on the company's bonds as it falls due. This, the Board thinks, can and should be done by May next. They are of opinion that the holders of these coupons would be willing to surrender them and take the company's notes for them with interest from a given time, payable during the fall and winter of 1867. This done, it is thought that the company could resume payment of interest by May 1st next.

On the subject of dividends the President says:

"The question has often been asked me, When do you expect to pay a dividend? This is a very hard question to answer definitely. I said when the road was turned over to the company in September, 1865, that it would take two years' receipts to rebuild the road and restore its buildings and equipment. I have seen no reason for changing this opinion, and without some arrangement to fund a large portion of your floating debt, dividends cannot safely be counted upon before the fall of 1867; and I am of opinion that it will be wise policy to use the receipts of the road to reduce this debt to a basis that it can be carried along with ease without interfering with dividends before any dividends are paid. By this means you can also use a million of dollars of your assets to reduce your funded debt, and you then have your road and its liabilities in a condition that you may rely with certainty upon always realizing your dividends every six months which will give permanence and stability to the value of your stock and greatly enhance its market value—objects so desirable, in my judgment, as to convince every stockholder of the wisdom of the policy."

RAILROADS AND CANALS OF NEW JERSEY.

We have compiled the following statement from the reports to the State legislature for the year ending Dec. 31, 1865, and other official sources. It exhibits the financial condition of each work at that date, and also the earnings, expenses, &c., of each during the year then closing :

Titles of Companies.	Share		Floating	Miles	Cost
	capital.	Bonded debt.			
Belvidere Delaware.....	\$997,112	\$2,193,000	\$259,473	64.20	\$3,425,878
Burlington County.....	177,750	60,000	16,750	7.12	254,500
Camden and Amboy.....	4,543,800	10,169,472	175,000	104.20	9,476,863
Delaware and Raritan Canal.....	2,298,400			65.50	4,815,143
Camden and Atlantic.....	1,062,748	1,034,776	143,352	60.22	1,885,941
Cape May and Millville.....	447,000	200,000	13,552	39.00	659,608
Central.....	10,685,940	1,509,000	.....	73.08	13,255,237
Freehold and Jamesburg Agric.....	230,845	.....	.....	11.50	230,332
Flemington.....	150,011	99,500	119,739	12.00	369,250
Hackensack and New York.....	94,100	40,000	.....	4.88	154,416
Jersey City and Bergen Point.....	200,000	.....	.....	10.00	200,000
Hibernia Mine.....	25,250	.....	15,000	4.00	40,250
Lodi Branch.....	20,000	.....	.....	0.78	20,000
Long Branch and Sea Shore.....	176,277	.....	.....	9.00	176,277
Long Dock and Tunnel.....	500,000	2,000,000	.....	2.88	2,480,000
Millstone and New Brunswick.....	102,865	.....	8,749	6.63	111,114
Millville and Glassboro.....	363,200	3,750	176	22.30	483,303
Morris Canal.....	2,000,000	860,715	.....	101.00	3,093,627
Morris and Essex.....	3,199,050	3,084,775	108,104	90.00	6,537,292
Newark and Bloomfield.....	103,890	.....	.....	6.00	112,575
New Jersey.....	5,000,000	805,000	.....	33.80	4,641,335
Northern.....	158,800	260,000	64,521	21.27	467,561
Orange and Newark.....	281,550	305,950	.....	17.00	599,414
Paterson and Hudson River.....	630,000	.....	.....	14.50	630,000
Paterson and Ramapo.....	248,000	100,000	.....	15.12	350,000
Perth Amboy and Woodbridge.....	57,200	100,000	.....	6.50	214,582
Raritan and Delaware Bay.....	2,520,700	1,498,000	664,865	81.00	3,975,489
Rocky Hill.....	45,345	.....	.....	3.50	45,000
Salem.....	180,550	100,000	.....	16.00	262,550
South Branch.....	388,300	.....	.....	16.00	408,532
Sussex.....	192,625	200,000	5,074	12.00	397,699
Vincenttown Branch.....	50,000	.....	.....	4.50	49,833
Warren.....	1,408,300	600,000	.....	21.04	2,008,300
West Jersey.....	588,400	400,000	388,000	38.05	1,588,483
Total.....	39,182,503	25,623,938	1,982,375	994.58	62,869,950

From this it appears that the average cost of road and canal per mile is \$63,212. The Central cost \$178,082, the New Jersey \$137,318, the Warren \$95,633, and the Camden & Amboy \$91,119. Exclusive of these the average cost was \$43,922 per mile. The Delaware & Raritan Canal cost \$65,880 and the Morris Canal cost \$72,636 per mile. The least costly of the roads, are those of the South and West parts of the State. The Cape May and Millville cost less than \$17,000 and the Salem less than \$16,500 per mile.

The earnings, expenses, profits, &c , of the same roads are given in the following statement :

Railroads and Canals.	Earnings.	Expenses.	Profits.	Dividends.
Belvidere Delaware.....	\$589,057	\$436,888	\$143,169	.....
Burlington County.....	66,570	68,838	(Loss)	.....
Camden & Amboy.....	5,146,650	4,254,726	891,924	5&5 in stk.
Delaware & Raritan Canal.....	1,128,007	317,578	810,429	5&5 in stk.
Camden & Atlantic.....	283,633	189,571	94,067	.....
Cape May & Millville.....	51,322	70,088	11,284	.....
Central.....	3,081,890	1,748,434	1,287,956	10&25 ext.
Freehold & Jamesburg Agric.....	49,839	32,610	17,199	5
Flemington.....	15,402	17,128	(Loss)	.....
Hackensack & New York.....	47,394	41,624	5,770	.....
Jersey C. & Bergen P't (dummy).....	(No return)	.....	.....	.....
Hibernia Mine.....	18,830	14,867	4,018	.....
Lodi Branch.....	(No return)	.....	.....	.....

	(Not in operation at date)		
	(Leased by Erie)		
Long Branch & Sea Shore			7
Long Dock (Tunnel).....	12,947	8,110	4,837
Millstone & New Brunswick	53,862	32,436	20,926
Millville & Glassboro.....	596,033	298,742	297,301
Morris Canal	680,456	513,786	166,670
Morris & Essex.	40,649	33,592	7,056
Newark & Bloomfield	1,875,981	1,072,654	803,323
New Jersey.....	185,032	158,158	26,874
Northern.....	105,357	75,649	29,458
Orange & Newark.....	(Leased by Erie)		
Paterson & Hudson River.....	(Leased by Erie)		
Paterson & Ramapo.....	(Leased by Erie)		
Perth Amboy & Woodbridge.....	12,160	11,808	852
Raritan & Delaware Bay.....	820,624	351,586	(Loss)
Rocky Hill.....	(No return)		
Sale ".....	37,469	26,919	10,550
South Branch.....	(Included in Central)		
Sussex.....	53,654	36,706	16,348
Vincenttown Branch.....	(Included in Burlington County)		
Warren.....	272,695	149,983	122,712
West Jersey.....	255,593	199,000	56,593

The above dividends were paid on an aggregate share capital of \$29,988,675 ; the amount of non-dividend paying capital was \$9,143,288.

FINANCES OF IOWA.

The population of Iowa in 1865 was, as stated in a late issue, 754,732, being an increase in the five years then ending of 79,989, or 11.95 per centum.

The assessed valuation of taxable property in the State, according to the lists for 1859 and 1865, compare as follows :

	1859.	1865.
Taxable land, acres.....	26,949,871	28,041,051
Value of taxable land	\$138,283,903	\$140,061,205
" of town property.....	31,359,165	27,481,397
" of personal property.....	33,174,282	57,578,116
Total valuation.....	197,867,350	225,120,713

The taxes levied in 1859 averaged $1\frac{1}{2}$ mills on the dollar yielding \$296,735 ; in 1865 they were 2 mills on the dollar, yielding \$430,126.

The receipts from all sources and disbursements of the Treasury for the two years ending October 31, 1859, and for the two years ending October, 1865, are thus stated ;

	Two years, 1858-1859.	Two years, 1864-1865.
Receipts (including balances).....	\$777,033 87	\$977,827 10
Disbursements on all accounts	751,403 13	952,739 42
Leaving a surplus of.....	\$25,630 74	\$25,087 98

In the accounts for the two years 1864-1865, are included the expenditures of the War and Defence Fund, amounting for the term to \$207,266, so that the actual expenses for State and other objects appear to have been less in the last than for the first financial period.

The indebtedness of the State is limited by the Constitution to \$250,000, except in cases of rebellion or invasion. When the war commenced the amount outstanding was \$200,000. It is now \$622,295 75, constituted as follows :

Iowa 7 per cent. bonds, payable in New York, January 1, 1868, issued under chapter 7, acts of 1858.....	\$200,000 00
Bonds sold under Chapter 16, acts of Extra Session 1861, for War and Defence Fund.....	300,000 00
One bond to the School Fund, dated November 12, 1864, payable at pleasure.....	122,295 75
Total State debt.....	\$622,295 7

The resources of the State for the financial period 1866 and 1867 are stated in the following table :

Balance of revenue in State Treasury.....	\$25,087 68
Balance of State revenue due from counties.....	288,172 68
Balance of Insane Hospital dues, from counties.....	58,570 50
Due from Council Bluffs Bank.....	1,052 78
Tax of 1865 for the service of 1866.....	490,126 83
Tax of 1866 for the service of 1867 (estimated).....	450,000 00
Balance of federal tax due from counties.....	84,992 19
Railroad tax (estimated) for 1866 and 1867.....	80,000 00
Balance due from U. S. Government (estimated)	800,000 00
Total resources for period.....	1,611,002 87

Not more than one-half of the above amount will be needed for ordinary expenses so that the balance, when collected, will more than cover the whole state debt. This debt is less than one dollar to each inhabitant of the State and in relation to the taxable value of property is so insignificant that a tax of three mills upon the total assessment would pay the entire amount.

The statements given above are compiled from the Auditor's Reports, which contain also the details of the School Fund and a full review of the financial affairs of the State. It is not our purpose, however, to enlarge upon this subject, the above being sufficient to show the status of this young and flourishing commonwealth, lightly burdened and singularly free from vexatious taxes, and which has no impediment to interrupt its future. Already there are a thousand miles of railroad in the State and these avenues for locomotion are being daily increased giving access to the whole surface of a rich agricultural region and ensuring its rapid development.

ANALYSES OF RAILROAD REPORTS. No. 15.

OGDENSBURG AND LAKE CHAMPLAIN RAILROAD.

(Formerly Northern Railroad.)

This line of railroad, stretching across the northern portion of the State of New York from Ogdensburg to Rouse's Point, forms a connection between the railroads of Canada and those of New England. The following are its constituents :

Main line—Ogdensburg to Rouse's Point.....	118.00 miles
Branch line—Summit to Gravel Beds.....	1.25 "
" Champlain to River Landing.....	1.75 "
" Potsdam to Lumber Mill.....	1.00— 4.00 "
Total length of main and branch lines.....	122.00 "
Second track and sidings.....	18.00 "
Equivalent single track.....	140.00 "

This road connects at Rouse's Point with the Montreal and Champlain and the Vermont Central and Canada railroads ; at Moore's Junction with the Montreal and New York Railroad ; at Potsdam Junction with the Rome, Watertown and Ogdensburg Railroad, and at Ogdensburg,

by ferry, with the Grand Trunk and the Ottawa and Prescott railroads of Canada.

EQUIPMENT—ENGINES AND CARS.

The number of engines and cars owned by the Company on the 30th of September, yearly, has been as follows :

	'56.	'57.	'58.	'59.	'60.	'61.	'62.	'63.	'64.	'65.
Engines.....	27	28	28	23	23	23	23	25	25	26
Cars—Passenger.....	14	8	8	14	14	14	14	14	15	17
“ Baggage, mail, &c.....	9	9	9	10	10	9	9	9	7	5
“ Freight.....	615	615	608	568	568	441	441	441	441	353
Total cars.....	640	632	625	592	592	464	464	464	463	378

—all rated as eight-wheel cars.

OPERATIONS ON THE LINE YEARLY.

The tabulation which follows exhibits the mileage of engines hauling trains, the number of passengers and tons of freight carried, and the passenger and freight mileage for the ten years ending Sept. 30, 1865 :

Fiscal Years.	—Engine mileage—		—Passengers—		—Freight (tons)—	
	Passenger.	Freight.	Number.	Mileage.	Number.	Mileage.
1855-56.....	105,890	201,240	73,160	3,314,647	160,838	14,604,677
1856-57.....	131,920	222,429	82,320	3,859,874	177,528	16,242,825
1857-58.....	100,248	211,156	71,764	2,767,920	150,433	13,210,357
1858-59.....	146,971	200,829	73,184	2,778,677	137,427	11,477,361
1859-60.....	155,366	239,762	79,668	3,228,596	166,675	15,611,653
1860-61.....	125,028	233,432	67,756	2,674,727	166,530	15,559,949
1861-62.....	87,165	254,539	69,787	3,089,553	187,647	19,157,715
1862-63.....	110,372	301,027	92,402	3,734,311	211,024	19,815,427
1863-64.....	152,246	306,065	141,680	5,846,234	230,201	21,154,324
1864-65.....	124,872	275,048	147,500	5,498,817	203,781	19,834,473

EARNINGS AND EXPENSE ACCOUNT.

The current earnings and expenses for the same years are shown in the following statements :

Fiscal years.	—Gross Earnings—				Operating expenses.	Earnings less exp.
	Pass'gers.	Freight.	Other.	Total.		
1855-56 ...	\$93,813	\$343,857	\$40,008	\$477,677	\$340,343	\$136,734
1856-57.....	89,962	362,909	54,463	507,424	344,081	163,343
1857-58.....	71,599	323,866	15,342	410,807	294,827	115,980
1858-59.....	74,961	327,736	15,235	382,183	320,822	62,110
1859-60.....	77,367	362,597	13,948	458,912	341,859	117,053
1860-61.....	69,366	348,424	17,847	425,377	338,132	87,505
1861-62.....	77,569	392,364	22,500	492,433	305,004	187,429
1862-63.....	100,206	454,178	19,128	573,512	377,594	195,918
1863-64.....	159,565	547,444	19,335	726,344	494,204	232,140
1864-65.....	178,116	508,297	21,108	707,521	649,932	57,589

The following reduced from the above shows the average earnings per mile (cents) for passengers and tonnage :

	'56.	'57.	'58.	'59.	'60.	'61.	'62.	'63.	'64.	'65.
Passenger.....	2.83	2.33	2.22	2.70	2.40	2.22	2.51	2.68	2.73	3.22
Freight.....	2.35	2.23	2.45	2.55	2.32	2.81	2.05	2.29	2.59	2.70

—earned at a cost as follows, viz. :

Passenger..	2.92	2.15	2.64	3.07	2.93	3.41	2.41	3.29	1.96	3.47
Freight	1.67	1.61	1.63	2.05	1.53	1.53	1.20	1.29	1.66	2.45

These figures show that the road has been constantly loosing on its passenger traffic and that even its freight traffic has been con-

ected without adequate profit. The result has been that the Company has not been able to pay interest on any but the first mortgage bonds since April, 1854. No dividend has been declared in the whole history of the Company.

STOCK, BONDS, &c.—COST OF PROPERTY.

The following statement shows the amount of stock, bonds, &c., and the cost of the road and its equipments yearly for the ten years ending September 30, 1845:

Years. Sept. 30	Capital stock.	1st mort. bonds.	2d mort. bonds.	Floating debt.	Total capital.	Cost of property.
1836.....	\$1,770,138	\$1,496,900	\$3,077,000	\$317,484	\$6,661,522	\$4,734,795
1837.....	1,494,900	3,077,000	.....	4,571,900	4,741,487
1838.....	1,494,900	3,077,000	.....	4,571,900	4,788,791
1839.....	1,494,900	3,077,000	.....	4,571,900	4,799,287
1840.....	1,494,900	3,077,000	.....	4,571,900	4,809,856
1841.....	1,494,900	3,077,000	.....	4,571,900	4,816,751
1842.....	1,494,900	3,077,000	.....	4,571,900	4,819,979
1843.....	1,494,900	3,077,000	.....	4,571,900	4,588,509
1844.....	1,494,900	3,077,000	.....	4,571,900	4,644,056
1845.....	3,677,000	1,494,900	.....	.....	4,571,900	4,681,624

As before stated the Company had failed on their 2d mortgage since April, 1854. On the 21st October, 1856, the property was sold on foreclosure of this mortgage and was bid in by the trustees for the benefit of those they represented. The sale was made subject to the 1st mortgage for \$1,500,000. The original capital was thus wiped out, as also the floating debt, and for the succeeding years until August 1st, 1865, the property rested on the bonded indebtedness, the trustees under the 2d mortgage managing affairs. At the last-named date the road with its equipments was by an order from the Supreme Court and by agreement of parties, transferred from the trustees aforesaid to a new Company styled the Ogdensburg & Lake Champlain Railroad Company, an organization created by the law of the State, passed April 8, 1864. The cost of the property as appearing in the table does not include interest paid to stock-holders and discount on bonds during construction (\$758,021); nor after 1862, several large items which had heretofore had a place, together amounting to \$241,738.

RECAPITULATIONS AND DEDUCTIONS.

In the following table are recapitulated the cost of the road, the gross earnings and expenses, and the earnings after expenses, yearly, for the last ten years:

Fiscal Year.	Cost of Road, &c.	Gross Earnings.	Operating Expenses.	Earnings after expenses.
1835-56.....	\$4,734,795	\$477,677	\$340,883	\$136,794
1836-57.....	4,741,487	507,424	344,031	163,393
1837-58.....	4,788,791	410,807	294,827	115,980
1838-59.....	4,799,287	382,984	320,822	62,110
1839-60.....	4,809,856	458,912	341,859	117,053
1840-61.....	4,816,751	425,687	338,137	87,505
1841-62.....	4,819,979	492,483	305,004	187,429
1842-63.....	4,588,509	573,512	377,594	195,918
1843-64.....	4,644,056	726,844	494,204	232,140
1844-65.....	4,681,624	707,521	649,932	57,589

The cost of the road (as stated in the reports), the gross earnings, expenses, &c., per mile of road (118 miles), the rate of expenses to earn-

ings, and the rate of net earnings to the bonded debt (\$4,571,900) are shown in the following table:

Fiscal Years.	Amount per mile				Expense to earnings	No. miles.
	Cost of road &c.	Gross earnings.	Operating expenses.	Earnings less expenses.		
1855-56.....	\$40,185	\$4,048	\$2,868	\$1,160	71.34	34
1856-57.....	40,182	4,300	2,915	1,385	68.92	35
1857-58.....	40,583	3,481	2,498	1,983	71.76	32
1858-59.....	40,672	3,245	2,719	526	83.75	15
1859-60.....	40,761	3,869	2,897	992	74.45	24
1860-61.....	40,820	3,607	2,835	742	79.43	14
1861-62.....	40,847	4,173	2,585	1,588	61.34	40
1862-63.....	38,886	4,860	3,200	1,660	65.84	42
1863-64.....	33,856	6,155	4,188	1,967	68.04	57
1864-65.....	39,074	5,996	5,592	404	93.25	12

PROPOSED REDUCTION OF TAXATION.

It is stated, with how much truth we do not know, that the Revenue Commissioners appointed by the Secretary of the Treasury will recommend to the next session of Congress further reductions in our internal tax list, and a corresponding decrease in our tariff duties. These reports are received in business circles with evident gratification, showing how important the measure is regarded. All classes appear to be anxious that Congress should take up the subject without delay, and act upon it in a manner calculated to meet the necessities of the country.

It is evident that legitimate business is languishing at the present time, very many departments of industry failing to be remunerative. There are several causes for this; chief among them, however, is, we believe, the burden of taxation which we are now laboring under, resulting as it does in high prices and restricted consumption. It is customary to impute the present increase in the cost of living to an inflated currency. We would by no means underestimate the influence of this agency to derange values; but, at the same time, while we are intent on curing this evil, we should remember that even a resumption of specie payments would not bring rates back to the standard of 1860.

The impolicy of unnecessary taxation is apparent in many ways. All know that high prices are a positive evil. They compel the consumers to limit their supplies; and this, of course, reacts adversely on production. With less production, there is necessarily less wealth; and, with that, less ability to pay taxes. A Government that succeeds in teaching its people to dispense with articles not of absolute necessity has weakened private energy and deprived itself of the ability to resist oppression. It has only created the Indian's standard of wealth, "while white men have labored and made many things that are useful and convenient, we, Indians, have learned not to want them." A statesman of a civilized country would hardly wish to bring about such a state of things; and yet this is what our heavy burden of taxation must necessarily produce.

We are perfectly conscious that the requirements of the war and the debt that war has left have been the occasion and necessity for an enormous revenue. The two and a half to three thousand millions of dollars which we owe must be provided for principal and interest. No good citizen is willing to impair the public credit. But it is not necessary for this pur-

pose to pay the debt at a period so brief as to overstrain the capacity of our people. We have expended our energy and treasure to carry on the war, and it is not wise to hasten the liquidation of the debt, before we shall have had opportunity to recuperate. Yet, it appears to us, that this is precisely what our present Revenue System is doing. For the fiscal year ending on the 30th of June last, the receipts into the Federal Treasury amounted to more than \$556,000,000, as follows; customs, \$179,046,630 64; sale of lands, \$665,031 03; direct tax, \$1,974,754 12; internal revenue, \$309,226,812 81; miscellaneous sources, \$65,125,966 46. It has been computed that they will, at the present rates, amount for the current fiscal year to about \$650,000,000. Such an extraordinary sum drawn from the productive industry of the country close upon its exhaustion from war, must, if persisted in for a long period, seriously check if not arrest its prosperity. Certainly it ought not to be done unless the necessity for it shall be imperative.

This, we are happy to say, is not the case. The civil and foreign service of the country requires only an expenditure of about forty millions of dollars. The War Department will require an equal amount, and the Navy perhaps as much more. The pension and other charges will be about twenty millions in round numbers. The interest on the public debt will not exceed one hundred and forty millions, making two hundred and eighty million dollars in all. If, then, to this we add a sinking fund of only \$20,000,000 annually, we would have sufficient to pay all the yearly charges against the government and be able to liquidate the whole amount of the debt in the lifetime of a generation.

It is practicable, therefore, for Congress to reduce the aggregate of our taxes to three-fifths, if not one half, their present volume, and still maintain the public credit and meet honorably all engagements. Whatever amount is raised more than is necessary for these purposes is extortionate, and must bear upon the taxpayer with undue severity. Instead of building up the industries of the country, it wrests from the producer the very means of subsisting himself and paying any tax whatever. The agriculturist disposing of his land to liquidate his debts, instead of occupying it and providing for them with the income, is no inapt picture of a Government prosecuting such a policy. Let there be delay till our people shall have begun to prosper again, and then we shall be able to repay all with ease.

No legislation can be more popular; but the reductions must be made with care. The ruling principle should be to retain direct taxes and to remit indirect taxes. We notice the suggestion to modify the rate of the income tax by reducing it to three per cent., and exempting all incomes less than \$1,000 a year. This, we think, is not sound policy. No tax is collected so economically as this, and with so little injury to the taxpayer. It is the body of indirect taxes that are especially productive of evil. They cost the Government, in many cases, more than the amount of the tax to collect them, and they are the excuse for saddling a still larger burden by the producer upon the consumer. The manufacturer who pays three per cent. to the Government will charge his customers ten per cent. to reimburse himself.

Then, again, another principle which should govern, is the relieving from taxation of all our productions. We cannot compete with other countries,

when we put burdens on the producer that the foreigner does not have to under. Thus, in taxing manufactures, we are shutting out our manufacturer from foreign markets. In taxing cotton we are putting a premium on foreign production, which, under this stimulus, and the present facilities our own planters experience, bids fair to seriously cripple the planter's interest.

But we have not space at present to note special cases of hardship. Every consideration of sound political economy dictates that the tax burden should be at once diminished, and so divided as to render it as easy as possible to carry. We are at this moment the most heavily taxed of people; and our patience, so exemplary and deserving, should not be overborne. We acknowledge, we insist on the importance and imperative nature of maintaining the faith of the nation. But we do not lose sight of the fact that the debt was created in the first instance because it was supposed to be impossible to raise immediately by tax the amounts of money required. For the like reason the same principle should be applied in the matter of its payment. The liquidation should by no means be so accelerated as to operate prejudicially to the enterprise and best interests of the people. Give time to recover from the shock and depression occasioned by the war, and then there will be greater ability to endure taxation

THE WOOL TRADE UNDER THE NEW TARIFF REGULATIONS

Few things are illustrated so plainly in the history of governments as the impotence of legislation to control commerce and to regulate prices. Yet, strange to say, there are few results to which our recent legislation has been so largely directed. During the last five years we have seen numerous efforts made to regulate the price of gold, and no less than four important changes in the tariff, designed to enhance the prices of foreign products, in favor of the home producer. The heavy duties imposed upon foreign woolen fabrics, under the tariff of 1864, excited a certain feeling of jealousy among the wool growers, who argued that the producer of raw material should be "protected" equally with the manufacturer. The question of enhancing the duties upon wool was freely agitated, and after a severe struggle, Congress at its last session was induced to adopt a measure which, though not ostensibly intended for the wool growers, yet really had the effect of increasing the duties upon imported wools from twenty-five to thirty per cent:

Our readers may remember that, in anticipation of this legislation, we showed that the highest prices for domestic wools had prevailed under the lowest tariffs, and that with each successive advance of duty American wool had declined in value, thereupon affirming that antecedents were against the supposition that wool-growers would be benefitted by the proposed legislation. In our remarks, at the time referred to, we stated that "The wool-grower is obviously interested in supplying the manufacturer with raw material at rates which will enable him to compete with foreign fabricants; for, without that condition, domestic manufactures must droop, and the demand for home wool be curtailed and its value reduced. This proposed tariff, however, is an attempt to increase the price of wools

about twenty-five per cent. It is unnecessary to inquire what would be the effect of such a rise in raw material, for *it is capable of demonstration that no such advance can really be permanently established. The course of prices under past tariffs proves that the duties upon foreign wools are powerless in regulating prices.* The tariff of 1846 imposed a duty of thirty per cent., *ad valorem*, upon wool costing eighteen cents per pound or under. In 1857 that class of wools was made duty free; and in 1861 the duty upon that grade was fixed at five per cent., *ad valorem*, and so remained until 1864. The course of prices after the change of duty from thirty per cent. to five per cent. is illustrated by the following comparison showing the average prices of Ohio, Mestiza, Cuba and Mexican wools, for the two years 1855 and 1856, and for the two years 1862 and 1863, when the lower duty was in force, the prices being given for the latter years in gold :

	Ohio f. bl. fleece. cents.	Mestiza No. 1, cents.	Cape, unwashed, cents.	Mex. med. washed, cents.
Average 1855-56	45 @47½	16¾@19½	29½@32	19½@22½
do 1862-63	48¼@51½	19 @21½	22½@23	22½@25½
Advance.....	3¼@ 3¾	2¼@ 2½	7½@ 4	3½@ 3¼

“It thus appears that, under a reduction in the duty from thirty per cent. to five per cent., upon this particular grade of foreign wool, the price of the imported staple, instead of declining, so as to depreciate domestic wool, actually advanced, upon an average, about fifteen per cent., and was attended with an important rise in the home product, Ohio fleece averaging 3¼@3¾ cents higher in the years 1862-63 than in 1855-56. *Here, then, it is clearly shown that low duties upon foreign wool are more favorable than high to domestic growers.*” These remarks were made by us in February last, while the proposed change in the tariff on wool was under discussion in Congress.

We have now to test the act of last summer, by the condition of the wool market under its operation. The act provides that the value upon which duties are to be assessed shall include, in addition to the invoice price, all the costs of importation, comprising export duties, freight, insurance, commissions, &c. This, upon the wools most largely imported, is equivalent to an addition of fully twenty-five per cent. to the previously existing high duties. To have realized the expectations of the authors of this measure, the price of the leading descriptions of foreign wools should have advanced, and the value of domestic should have proportionally improved. No such result, however, has followed. As in parallel cases of the increase of duty, the value of domestic wool has fallen, while the price of foreign has not been advanced. For the purpose of indicating the value of foreign and domestic wool under the present tariff, as compared with periods anterior to its operation, we present the following quotations for wool at New York, on the 31st of October of each of the last seven years :

	1860.	1861.	1862.	1863.	1864.	1865.	1866.
Amer., Saxony fleece, 2 lb.....	51-53	45-48	60-62	75-80	95-1.05	70-75	62-67
do full blood Merino.....	48-52	44-48	60-63	70-72	85- 94	65-70	52-58
do ¾ and ½ Merino	34-46	38-44	62-65	63-69	80- 90	60-65	45-50
Extra, pulled.....	42-46	38-40	58-60	70-72	1.00-1.05	67-70	52-57
Superfine, pulled.....	37-40	36-40	56-60	68-70	80- 90	65-67	47-50
No. 1, pulled ...	28-30	32-34	48-50	5-55	70- 75	50-55	35-40
California, unwashed	24-32	27-32	39-47	50-52	55- 65	37-40	33-40
do common do	10-20	12-..	20-33	40-42	30- 50	20-25	20-25
do pulled.....	.....	.....	40-60	50-62	78-1.05	35-65	30-45
Texas, unwashed .....	.....	.....	.....	.....	.....	.....	27-33
S. Am. Mestiza, unwashed.....	16-25	16-20	25-30	30-32	50- 55	32-37	32-37
do common unwashed.....	10-13	14-17	18-23	15-20	30- 45	18-23	18-23
S. America Cordova	21-22	21-25	35-40	38-40	65- 70	43-48	43-48

Peruvian, unwashed.....	12-13	13-15	20-23	23-..	38- 42	35-45	32-33
Valparaiso, unwashed.....	12-13	13-15	20-23	23-..	38- 42	26-27	27-30
Donkoi, washed.....	..	..	35-40	35-38	70- 75	45-50	42-45
Persian.....	..	..	35-40	30-25	38- 40	26-30	25-30
African, washed.....	16-28	20-30	40-50	40-45	60-1.00	35-45	35-45
do unwashed.....	9-18	16-20	28-35	20-35	40- 65	15-25	15-25
Mexican, unwashed.....	11-14	12-14	25-35	22-23	4-..	20-25	2-25
Smyrna, unwashed.....	11-18	17-18	20-28	22-23	45- ..	22-25	22-25
do washed.....	22-28	20-26	40-45	40-50	65- ..	35-45	35-45

We thus see that so far from the new tariff having enhanced the value of American wool, Saxony fleece is now 7a8 cents lower than a year ago; the lower qualities of Mexico, 15 cents; superfine pulled, 17 to 18 cents, and No. 1 pulled, 15 cents. Thus, on home-grown wool there is a decline of 10 to 30 per cent. So much for the anticipated effect of the new tariff in enabling home wool growers to realize a higher price for their clips. Nor has the tariff been successful in making imported wools dearer. Of the twelve classes of foreign wool above quoted, nine are selling at the same price now as on the 31st October, 1865; two are lower, and Valparaiso alone is a fraction higher, the exception in that case being attributable to the interruption of the supply by war. Could facts more strongly demonstrate the folly of attempting to benefit the wool growers by special legislation? They have had protection granted to the full extent of their demands, yet each successive grant of supposed privileges has placed their interest in a worse condition.

It is not to be overlooked that, during late months, the woollen manufacturers have suffered severe losses from an over-production of goods; which have probably induced a contraction of purchases of raw material. The amount of wool received at tide-water from opening of navigation to the 22d of October, has been only 441,600 lbs., against 488,600 lbs. for the same period of last year, and 1,016,500 lbs. for the corresponding time in 1864—a movement which would seem to indicate that wool is being held in the interior instead of coming forward for consumption. The imports of foreign wool at this port from Jan. 1st to Oct. 17th, have been 53,227 bales, compared with 47,083 bales for the same period of 1865, and 107,298 bales for the corresponding period of 1864. If it be argued that the price of domestic wool has been depressed by a failure in the demand, the same reasoning can be applied to foreign wool, especially as the foregoing figures show that there has been no offset in a diminished importation. Yet we find the price of foreign wool sustained, while domestic has declined heavily.

How is it then, it may be asked, that the recent advance in duties has allowed home wools to fall so heavily, while the imported staple has remained stationery? The change in the duties has tended, among other things, to bring about the very embarrassment in the woollen trade which is now exhibiting itself in a diminished demand for wool. The experience of the wool-growers under the new tariff adds new force to our former assertion that—"their true policy is to accord to manufacturers every facility for getting the cheapest raw material the world produces. By that course our manufactures will be extended; our enlarged purchases of raw material in foreign markets will increase the price of wool there, which will have the two-fold effect of enhancing the cost of the European fabrics brought here to compete with domestic goods, and further, of correspondingly increasing the value of home grown wools, so that both manufacturer and grower would be protected by a natural and always reliable process."

AMERICAN MANUFACTURES AND EMIGRATION.

While we are not the advocates of special legislation on the part of our Government for the purpose of planting among us particular branches of industry, especially such as are not well adapted to our country, or to the genius of our people, we cannot refrain from taking deep interest in the development of manufacturing enterprise. Perhaps there is no vacation or department of labor more essential to national greatness. We may cultivate the soil, and render it sufficiently productive to nourish the inhabitants of other countries. We may dig the precious ores in quantities ample to supply every nation; we may produce the fibre for every spindle and loom; but so long as we require from other countries the principal manufactured wares necessary to our comfort, we lack a necessary element of independence. Our commerce, which ought to be a reciprocal exchange of values created by industry, is rendered, to a large extent, an agency to place us under a form of vassalage; for the taking of the products of the soil and mine abroad for manufacture, is but an element of dependence which tends to enfeeble a nation. Such a country is liable, upon the sudden recurrence of a war, to find itself in a pitiable condition indeed, deprived as it is, to a great degree, of the means of defence.

So conscious of this have the governments been that have held countries and colonies in subjection, that it was long the practice to discourage, and even to prohibit, the people of such colonies engaging in manufactures. When Porsena conquered Rome he forbade the working of iron in that State, compelling it to depend upon the forges and furnaces of Etruria. The Phillistines, when they overrun the country of the Israelites, permitted no smith to work among them. The European nations of modern times, so far as lay in their power, carried out a like policy. The Dutch Government made manufacturing a penal offence in the colony of New Netherland; and the British Parliament enacted laws against slitting mills and other branches of industry in their American provinces. But it is unnecessary to multiply instances. It is evident that a state of dependence is not one of power.

This subject is invested with new interest by the events of the present period. Up to this time England has been able to retain her manufacturing supremacy, and the products of her looms now fill the markets of the world. Hitherto, her mills have produced at so low a price as to preclude successful competition. It was more profitable for the planter to raise cotton, and the farmer wool and breadstuffs for the manufacturing towns of England than to erect factories at home to convert the raw fibre into cloths, muslins and other articles of prime necessity. Statesmen often sought to change this condition by special legislation, not being sufficiently far-sighted to perceive that they were attempting to set aside the omnipotent laws of trade. They have always failed, of course, to take away from England her supremacy. It was not legislation which could remedy the matter, but a law higher than man could devise.

Agencies are, however, now in operation, which are almost certain to modify this condition of things, and to give our people greater importance among manufacturing nations. We place no dependence upon the remarkable declaration of Mr. Gladstone in regard to the exhaustion of the

coal beds of England. It is a contingency too remote to be taken into calculation, while science and commerce can both be pressed into service to obviate the difficulty. But there is another agency at work, more rapid in its influence and more sure to accomplish the result. We refer to the equalizing movement now going on in the emigration that is taking place at prodigious and constantly increasing rates.

The supremacy of England as a manufacturing country has been due to the cheap prices of labor. Her dense population has produced manufactured goods at rates low enough to enable the merchants to undersell Americans even in our own markets. As long as this condition could be maintained we were dependent upon that country for our supplies. But there has been a change taking place for several years. The wages of English operatives have been steadily increasing. With this improvement in their circumstances comes, naturally, the acquirement of more expensive habits. Better food has been obtained, better clothing worn; not only has the importation of breadstuffs been continued as heretofore, but other articles, like beef and the products of the dairy, have been added to the requirements of the laboring population. The European supply of these products is annually falling shorter, and the demand is at the same time increasing rapidly. This necessarily tends not only to keep up the rates of wages, but to make it necessary to increase them, and is telling upon the manufacturing enterprise of the country. Thus, while the better classes of operatives—the more skillful laborers—are swelling the multitude of emigrants that are coming weekly to the United States to better their condition, those who remain are demanding, and must receive, a large increase in their rates of wages.

The cheapness of labor has enabled England to control the enterprise of other countries. She could import cotton, wool, and other raw material for her factories, and breadstuffs for the operatives, and, by reason of the low price of work, could keep the price of manufactured goods lower than they could be afforded where labor was better remunerated. But this is impossible when a considerable increase of wages shall have taken place. Of course, we predict no immediate violent change. The influence of this movement, however, which is even now being felt, will gradually work out the result indicated, enabling our manufacturers to successfully compete in foreign markets. In all particulars, except the one of labor, our advantages have ever been greatly superior. We produce the raw material for most classes of manufacture, not only cotton and wool, but the most important metals; our country is an immense coal field; almost every State in the Union abounds with water power enough for all the mills and forges of the world, and generally running waste; we produce all the food required for laborers. With the enormous influx, then, of population, we will have the last impediment removed to successful competition with every other country.

This does not involve the necessity of reducing the price of labor so low as the rates in Europe. To be sure whenever values shall become properly adjusted, there will be important modifications in that particular. But another element in computation will exist of which our laborers will have the principal benefit. While the operatives in England require that both material and food shall be shipped to them at enormous waste of capital for transportation, our workmen will have all these supplied at

their hand from our own fields. The importance of this fact can readily be perceived.

Another important consideration is the fact that a few years will give to the United States the control of the commerce of China and the other countries of the East Indies. The Pacific Railroad when finished will, with its collateral routes, make a speedy transit from ocean to ocean; all Asia will thus be brought into communication with the United States in a period of time many days shorter than can be effected with any commercial town of Europe. We thus not only gain this eastern trade, but have the facility for easily distributing our products and manufactures in the East, giving us a transit to an extensive market, cheaper because nearer, than any other country possesses. Hence we see that emigration—this equalizing movement—must in the end necessarily work out a change which will be hastened and rendered more certain and complete by other agencies now or soon to be at work.

PRICES OF BREADSTUFFS.

The prevailing high prices for flour and grain naturally excite considerable interest, not only in commercial circles, but among all classes. In most branches of trade there is a stubborn dullness of business, which is interpreted as foreshadowing a reaction from the general high range of values; and, at such a period, it is a matter of no little consequence that the prices of breadstuffs—which have a direct bearing upon the price of labor, and therefore upon the cost of products generally—should have suddenly advanced to the present extraordinary quotations. If there be substantial grounds for the current high rates for flour and corn, there is undoubtedly reason for moderating the prevailing anticipations of a general fall in prices. It is, therefore, of the first practical consequence to the industrial interests of the country that correct views should prevail upon the question of the real value of breadstuffs.

In no previous year has the price of cereals ranged so high during the fall months as at present, not even excepting the autumn of 1864, when gold was 82@100 points above its present premium. For the purpose of illustrating the comparative prices of flour we present the following quotations at New York for the several qualities, at the close of October for seven years:

	1866.	1865.	1864.	1863.	1862.	1861.	1860
Superfine State.....	\$10 25	\$7 25	\$9 75	\$5 75	\$5 90	\$5 60	\$5 25
Extra State.....	12 00	8 00	10 25	6 25	6 40	5 80	5 45
Extra Western.....	11 50	8 25	10 75	7 25	6 50	6 00	5 75
Round Hoop Ohio.....	12 50	8 80	11 00	7 25	7 00	6 00	5 75
St. Louis.....	14 00	9 25	12 25	8 00	8 00	6 50	6 25
Southern Common.....	13 50	10 00	11 75	6 90	6 80	6 00	5 75
Southern Extra.....	16 75	14 00	13 50	7 50	8 00	6 50	6 25
Price of Gold.....	146	146	225	145	180	....	....

It will thus be seen that the quotations for flour range from 45 to 50 per cent. above those of one year ago on all except the Southern qualities, which are 20 to 30 per cent. higher. Compared with the same date of 1863, when gold was at about the same point as now, present prices are 60 to 125 per cent. higher, "extra State" showing an advance of 95 per cent., and

"Round Hoop Ohio" 73 per cent. Reducing the currency quotations to gold, the following would represent the gold value of the latter grade of flour on 31st of October, for the past seven years :

1866	\$8 56	1862.....	\$5 38
1865	6 03	1861	6 00
1864	4 89	1860	5 75
1863	5 00		

It will be seen, from this comparison, that this particular brand of flour is now 42 per cent. higher than at the same period of any of the six last years, and 75 per cent. above the price of two years ago.

The principal conceivable conditions warranting such extraordinary prices are, either a deficient harvest, a bad condition of the wheat crop, a short supply of some other food product, or an extraordinary foreign demand. It would be difficult to show, however, that any one of these conditions has any actual influence in the present case.

It is fair to conclude, not only from the general tenor of Western reports, but also from the statistics furnished in the last report of the Commissioner of Agriculture, that the wheat crop of the country is fully up to the average in amount, and beyond the average in condition. The corn crop is universally acknowledged to be unprecedentedly large; the report of Commissioner Newton placing it at the remarkable figure of one thousand million bushels, or 65 per cent. in excess of the liberal crop of 1860. This fact is of importance in estimating the value of wheat; inasmuch as any deficiency in the latter crop is readily compensated by a substitution of corn. The large volume of grain and flour moved to market since the harvest is also against the supposition of a deficient supply. The imports of flour and grain into Buffalo by Lake and Grand Trunk Railroad, for the month of October, compare with those of the same month of the five preceding years as follows :

	Flour, bbls.	Grain, bush.	Grain, including flour, bush.
1866.....	270,414	7,879,424	9,231,494
1865.....	291,963	7,885,690	9,345,505
1864.....	229,048	4,781,044	5,876,284
1863.....	454,041	7,121,913	9,392,118
1862.....	390,710	9,777,654	11,731,504

In the receipts of flour at Buffalo, there is a falling off to the extent of about 22½ per cent. compared with an average of the same month for the four last years. This, however, is to some extent to be accounted for by the limitation of the receipts *via* the Grand Trunk Road, consequent upon the abrogation of the Reciprocity Treaty. The imports of grain for the month are equal to an average of the last four years. The receipts at Chicago for the expired portion of the year show a very large gain upon those for the same period of last year, as will appear from the following comparison :

	Flour, bbls.	Wheat, bush.	Corn, bush.
From January 1 to October 20, 1866	1,373,040	8,924,219	29,293,557
" " 1865.....	949,298	7,818,934	23,339,924
Increase.....	424,742	1,605,285	6,553,963

The following will show the comparative receipts of flour and grain at the ports of Milwaukee, Chicago, Toledo, Detroit and Cleveland, from Jan. 1st to Nov. 3, for 1865 and 1866:

	1866.	1865.
Flour, bbls.....	3,309,061	2,841,180
Wheat, bush.....	23,363,637	23,216,278
Corn, bush.....	36,496,858	26,240,226
Oats, bush.....	11,863,419	11,894,151
Barley, bush.....	1,578,130	1,457,776
Rye, bush.....	1,933,048	1,203,523
Totals grain.....	75,234,092	64,011,954
Increase flour, bbls.....		468,780
Increase grain, bush.....		11,222,138

It would certainly be difficult to discover in the foregoing statistics any evidence of a short supply of wheat or corn.

Nor can the current prices of breadstuffs be sustained upon the pretence of an unsound condition of the crops, or a failure in some other food products, calling for an increased consumption of flour. For the stormy weather in August and September which, it was feared, would injure the growing crops, was found to leave them unscathed; while the root crops are generally ample in yield and exempt from disease.

The export movement has not yet proved large enough to justify any material advance in prices. The shipments of flour to Great Britain, our chief foreign market, have been somewhat larger than last year, but the increase has been nearly compensated by a largely diminished export to the continent of Europe. We annex a statement of the exports of flour, wheat and corn, from all ports to Great Britain and the Continent, from September 1st to the dates next to the close of October:

	Flour, bbls.	Wheat, bush.	Corn, bush.
To Great Britain.....	21,147	716,419	2,089,832
The Continent.....	200	.....	172
Total 1866.....	21,347	716,419	2,089,904
Total 1865.....	14,395	305,759	1,545,797
do 1864.....	31,951	1,046,496	56,938
do 1863.....	278,997	3,256,528	239,459

Thus, the exports of flour and wheat for the last two months are seen to be less than the average for the same period of the last two years, and are quite nominal as compared with those of 1863. There is, therefore, nothing whatever in the export demand to account for the prevailing high prices. Nor does there appear to be anything in the condition of the foreign markets to justify the supposition that the demand from that source will be such as to warrant extraordinarily high prices for American breadstuffs. From the latest accounts, it appears that the deficiency of the British wheat crop is not very considerable, and the probability is that the importation into the United Kingdom will not range materially above the average. The importations, however, cannot be drawn from France to the important

extent of late years, owing to the deficiency of the French crop; and but small supplies can be expected from Prussia, the war having materially checked agriculture in that country. The chief European dependence of Great Britain, under these circumstances, must, therefore, be upon Russia, which has of late years improved the quality and increased the amount of her wheat crop. The importation from Russia during the first eight months of the current year was 4,600,396 cwts., or about 30 per cent. of the entire receipts from foreign countries. The crop in Eastern Europe appears to be excellent, and unusually large supplies from that source are anticipated. It appears probable, therefore, that the deficiency in the supplies from France and Prussia may be fully compensated by the increased amount derivable from Russia, Hungary, Galicia, Moldavia and Wallachia. In the English markets, however, it is anticipated that the drain upon these resources will be so close as to produce a comparatively high range of prices, and hence the advance in prices since the middle of August, indicated by the following comparison of quotations:

	Aug. 25.	Oct. 20.	Advance
English red, old.....per qr. of 8 bush.	45s to 50s	54s to 58s	7s to 8s
do new.....	48 to 52	53 to 58	5 to 6
English white, old.....	48 to 52	58 to 64	10 to 12
do new.....	50 to 54	58 to 63	8 to 9

Nor is it to be overlooked that California has recently so largely increased her surplus of wheat that the shipments thence to England are assuming important proportions. The Report on Agriculture for October estimates that the quantity available for export this year will amount to about 10,000,000 bushels. Under all these circumstances, it would appear that the necessities of Great Britain will not be such as to compel her to pay extraordinarily high prices for Western breadstuffs. And it will, therefore, result that there is nothing in the condition of the foreign markets to afford any reason for the prevailing high prices in our markets.

But, although there may be no facts to warrant the present extraordinary prices for breadstuffs, there is yet undoubtedly a cause for the advance. That reason appears to centre in a speculative mania. For reasons known to themselves, the Western dealers are holding back their produce; and the result may be seen in the following receipts of flour and wheat at tide-water from the opening of navigation to the close of October:

	1866.	1865.	1864.
Flour, bbls.....	213,700	650,700	93,273
Wheat, bush.....	3,893,900	6,707,800	12,635,000

With such light receipts at the seaboard, and within two or three weeks of the close of navigation, it is not surprising that the idea of a short supply for the winter months should foster an extravagant speculation in the market. The course of the Western holders, however, is, we think, unwise, and, what we have already said, demonstrates that it can but result in compelling Great Britain to obtain supplies from Europe which otherwise she would have bought here at full prices, and to place our present surplus at her disposal next year at much lower values.

CANALS OF NEW YORK.*

The canals of New York for administrative purposes are divided into three divisions, viz.: the Eastern, the Middle and the Western, which are under the charge respectively of Division and Resident Engineers.

EASTERN DIVISION.

The Eastern Division embraces the Enlarged Erie Canal, from Albany to the Oneida Canal, at Higginsville, the Champlain Canal, and the Black River Canal and River improvement, as follows:

Enlarged Erie Canal.....	133.58		
Albany Basin.....	.77		
Port Schuyler and West Troy Side Cuts.....	.85		
Pond above Troy Dam.....	3.01—	4.12—	137.70
Champlain Canal.....		66.00	
Glen's Falls Feeder (7 m.) and Pond above.....	12.00—	12.00—	78.00
Black River Canal.....		35.33	
Black River Feeder and Pond above.....	12.09		
Delta Feeder.....	1.38—	13.47—	49.80
Black River improvement.....		42.50—	42.50
Total length in miles.....		807.00	807.00

The other feeders and reservoirs (not navigable) are shown in the following table:

RESERVOIRS.

Names.	Surface: acres.	Average: acres.	Depth: feet.	Capacity: cubic feet.
Woodhull.....	1,236	1,118	18	876,550,000
North Branch.....	423	277	28	810,000,000
South Branch.....	518	372	26	421,190,000
Total.....	2,177	1,767	..	1,667,740,000

FEEDERS.

Mohawk Feeder, at Rexford Flats.....	.39	Mohawk, south side, at Little Falls.....	.19
Schoharie Creek.....	.63	Mohawk, north side, at Little Falls.....	.50
Mohawk, at Rocky Rift.....	3.92	Mohawk, at Rome.....	.05
Total length in miles.....			5.68

The supply of water for the Eastern Division of the Erie Canal is derived from the sources named in the following table:

Sources.	Distance supplied.	Cubic feet per minute.
Champlain Canal, from Mohawk River, at Cohoes Dam.....	7 mile.	6,570
Mohawk River, at Rexford Flats.....	20 "	10,979
Schoharie Creek.....	25 "	6,800
Mohawk River, at Rocky Rift.....	27 "	10,602
Mohawk River, at Little Falls.....	9 "	12,643
Illion Creek.....	800 cubic feet	
Chenango Canal, at Utica.....	911 " "	16,296
Butt's Creek, 2½ m. east of Rome.....	1,400 " "	
Mohawk and Black Rivers, at Rome.....	11,766 " "	
Black River Canal, at Rome.....	1,294 " "	
Wood Creek, at Rome.....	125 " "	
Total distance and supply.....	136 "	63,890

* Annual Report of the State Engineer and Surveyor on the Canals of New York for the year ending September 30, 1865, prepared by Hon. William B. Taylor, with maps, &c. Albany, C. WENDALL, 1866. 1 vol., pp. 135.

The water supply of the Champlain Canal, from the junction with the Erie Canal to one mile north of Waterford, is from the Mohawk River, at Cohoes, five miles; thence to the crossing of the Hudson River, $1\frac{1}{4}$ mile south of Fort Miller, from the Hudson River, at Saratoga Dam, 24 miles; and from Saratoga Dam to Whitehall, the supply is from Glen's Falls Feeder and Wood Creek, 35 miles.

The supply of water for the Black River Canal is as follows: From Rome to lock No. 9 at Mohawk Aqueduct, 7 miles, from the Delta Feeder; from lock No. 9 to lock No. 34, 10 miles, from Lansing Kill Feeder; from lock No. 34 to foot of lock No. 102, from Black River Feeder, and from lock No. 102 to lock No. 109 from pond above dam at Lyons' Falls.

The water furnished by the reservoirs, drawn only in the very dry season of the year, is passed down through the natural channels of Black River and Woodhull, about 20 miles each, to the pond above the dam at head of Black River Feeder; thence the necessary quantity is taken into said feeder and passed to the summit level at Boonville. From the summit the Canal is supplied both ways. The remaining water, which is designed to supply the Erie Canal, is passed off at the south end of summit by a waste-weir into the Lansing Kill, thence into the Mohawk River, and taken into the Erie Canal by the feeder from Mohawk River at Rome.

MIDDLE DIVISION.

The Middle Division includes the enlarged Erie Canal from Higginsville to the east line of Wayne County; the Chenango; the Oneida Lake; the Oswego; the Baldwinsville; the Cayuga and Seneca, the Crooked Lake and the Chenango canals; the Oneida River Improvement; the Seneca River Towing Path, and the Cayuga Inlet, the lengths of each being as shown in the following table:

Enlarged Erie Canal.....	68.58	
Limestone Feeder.....	.80	
Butternut (Orrville) Feeder.....	1.55	
Camillus Feeder.....	1.00	3.25
Oneida Lake Canal.....	6.00	6.00
Oswego Canal.....	38.00	38.00
Cayuga and Seneca Canal.....	22.77	22.77
Crooked Lake Canal.....	8.00	8.00
Chemung Canal and Feeder.....	39.00	39.00
Chenango Canal.....	97.00	97.00
Oneida River Improvement.....	20.00	20.00
Seneca River Towing path.....	5.00	5.00
Baldwinsville Canal (purchased 1840).....	1.00	1.00
Cayuga Inlet.....	2.00	2.00
Total length in miles.....	310.70	310.70

Of this length, 155.35 miles are navigable for boats of the largest class, and the remainder for smaller ones.

There are also upon this division, for the supply of water to the several canals, the following works, viz.:

Reservoirs —Erieville, Cazenovia Lake, De Ruyter, Skaneateles Lake, Madison Brook, Woodman's Pond, Leland's Pond, Bradley Brook, Eaton Brook, Hatch's Lake, and Kingsley Brook.

Feeders.—Oneida Creek, Cowassalon, Chittenango, Carpenter Brook, Jordan, and Weedsport, and the feeders connecting the several reservoirs with each other and with the canals.

WESTERN DIVISION.

The Western Division embraces the enlarged Erie Canal from the east line of Wayne County to Buffalo, together with the Genesee Valley Canal, as described in the following table :

Enlarged Erie Canal	148.50		
Genesee River Feeder at Rochester.....	2.25—	2.25—	150.75
Gene ee Valley Canal, Rochester to Millgrove		113.50	
Dansville Branch, Shakers to Dansville....	11.00		
Genesee River Feeder at Oramel.....	.75—	11.75—	125.25
Total length in miles	14.00—	276.00 —	276.00

The canals in this division are supplied with water from the following sources :

Erie Canal.—Lake Erie; Tonawanda Creek at Pendleton; Oak Orchard and Tonawanda Creek Feeder at Medina; Genesee Valley Canal at Roches.er, and Genesee River at Rochester.

Genesee Valley Canal.—Allen's Creek at Scottsville; Genesee River near Mount Morris; Caneseraga Creek Feeder, two miles north of Dansville; Mill Creek at the head of Dansville Branch in Dansville; Wiscoy Creek Feeder; Genesee River Feeder at Oramel; Rockville Reservoir in Belfast; two branches of Black Creek on Summit; Oil Creek Reservoir on Summit, two miles north of Cuba; Champlain Creek at Cuba on Summit; Griffin Creek at Cuba on Summit; Ischua Feeder from Ischua Creek, connects with south end of Summit; Haskell Creek, near Weston's Mills; Dodge Creek at Portville, and Oswayo Creek south of Portville, all on extension, and Alleghany River, at head of Canal at Millgrove.

RECAPITULATION.

Length of Canal, &c., in Eastern Division.....	807.00 miles.
“ “ in Middle Division.....	810.70 “
“ “ in Western Division.....	276.00 “
Total length of Canal and River Improvement.....	886.70 miles.

LOCKS AND LOCKAGE—SIZE OF BOATS.

The following statement gives the length of each canal, the quantity of rise and fall in feet, the number of locks, size of chambers, and the size of prism.

Canals.	Length : miles.	Rise & fall: ft.	No. of locks.	Size of chambers.	Size of prisms.
Enlarged Erie Canal.....	350.50	654.80	71	110x18 feet.	70 & 56x7 feet.
Champla n Canal.....	66.00	179.50	20	110x18 “	50 & 35x5 “
Glens' Falls Feeder.....	7.00	182.00	13	100x15 “	50 & 35x5 “
Black River Canal	35.83	1,082.25	109	90x15 “	42 & 28x4 “
“ “ Improvement.....	42.50				
“ “ Feeders	10.50				
Onida Lake Canal	6.00	60.25	7	90x15 “	40 & 28x4 “
Onida River Improvement.....	20.00	6.25	2	120x80½ “	80 & 60x4½ “
Oswego Canal	38.00	154.50	17	110x18 “	70 & 56x7 “
Cayuga & Seneca Canal.....	22.77	83.50	11	90x15 “	40 & 26x4 “
Cayuga Inlet.....	2.00	70.64	11	110x18 “	70 & 56x7 “
Crooked Lake Canal.....	8.00	277.83	27	90x15 “	42 & 28x4 “
Chemung Canal.....	23.01	490.75	49	90x15 “	42 & 28x5 “
Feeder.....	16.00	40.00	4	90x15 “	41 & 26x4 “
Chenango Canal.....	97.00	1,015.83	116	90x15 “	40 & 28x4 “
Genesee Valley Canal.....	113.50	1,074.42	104	90x15 “	42 & 26x4 “
Dansville Branch.....	11.00	82.60.	8	90x15 “	42 & 26x4 “

Boats navigating the enlarged canals are built 97½ feet long, and 17

feet 8 inches wide; and, by resolution of the Canal Board, are restricted to a draft not exceeding six feet below the surface of the water. Their heights above water are likewise regulated, so that no part of the boat or load shall exceed 11½ feet above the surface of the water.

Boats navigating the old canals are built 78 feet long and 14½ feet wide, and are restricted to a draft of 3½ feet below the surface of the water, no part of the load or boat being allowed to exceed 9 feet above the surface.

The heavier built boats on the Erie canal weigh 75 tons, and the boat and cargo of the largest class 290 tons. The scow boats on the Genesee Valley and other non-enlarged canals weigh about 30 tons, and the boat and cargo some 110 tons.

AUTHORIZATION, COMMENCEMENT AND COMPLETION.

In the following table will be found the dates of the authorizing act, the dates of commencing and completing each work, and the cost as estimated by the engineers, and the actual cost, with the average annual cost of repairs per mile :

Canals, &c.	Dates			Cost of Construction		Average annual repairs
	Author-ized.	Com-menced.	Com-pleted.	Esti-mated.	Ac-tual.	
Erie, (old)	April 15, 1817	July 4, 1817	Oct. 26, 1825	\$4,925,738	\$7,143,739	\$35
do (enlarged)	May 11, 1835	Aug. 1836	Septem. 1862	23,402,863	32,008,551	48
Champla'ne & F.	April 15, 1817	July, 1817	..... 1822	.....	1,746,622	9
Black Riv. Can'l	April 19, 1836	Jan., 1838	..... 1849	.....	2,157,296	25
Oneida Lake C'l	Mar. 22, 1833	.....	..... 1836	40,000	} purchas-d	34
do Riv. Imp	April 29, 1839	.....	..... 1850	100,049		129
Oswego (old)...	April 20, 1825	.....	Dec. 10, 1828	227,000	565,437	61
do (enlarged)	April 15, 1854	.....	Septem. 1862	1,925,339	2,511,902	15
Cayuga & Sen'a.	April 20, 1825	.. .. .	Nov. 15, 1828	150,000	214,000	62
Cayuga Inlet	May 25, 1836	.....	Septem. 1862	811,188	1,133,149	59
Crooked Lake C	April 11, 1829	April, 1830	Oct. 10, 1833	119,198	156,776	12
Chemung & F.	April 15, 1829	.....	Septem. 1831	331,224	314,305	...
Chenango Can'l	Feb. 23, 1833	July, 1834	October, 1836	1,960,456	2,316,196	73
Genes. V. C. &c	May 6, 1836	.....	Decemb. 1861	2,002,285	3,663,183	39

The Genesee Valley Canal was completed to Dansville November 1, 1842; to Olean, November 1, 1856; and to Millgrove Pond, December, 1861. The Champlain Canal, between Fort Edward and the Lake, was opened November 24, 1819, and the whole completed as above in 1822.

TOLLS RECEIVED AND COST OF REPAIRS.

The total amount of tolls received on all the canals from 1821 to the close of 1865 has been..... \$31,941.17
Cost of repairs, 181-665..... 21,035.59

Tolls, 1821-65, less cost of repairs..... \$12,905.58

The amount of tolls received and the cost of repairs annually for the twenty years ending September 30, 1865, are shown in the annexed summary table :

Fiscal year.	Amount of tolls.	Cost of repairs.	Fiscal year.	Amount of tolls.	Cost of repairs.
1846.....	\$2,788,134	\$509,511	1856.....	\$3,719,926	\$84,527
1847.....	3,460,976	493,157	1857.....	2,529,366	72,043
1848.....	3,153,614	687,793	1858.....	2,045,443	80,943
1849.....	3,377,784	528,371	1859.....	1,812,281	69,000
1850.....	3,390,477	560,846	1860.....	2,379,534	73,246
1851.....	2,702,070	682,599	1861.....	2,253,169	25,066
1852.....	3,173,222	809,452	1862.....	4,790,518	48,000
1853.....	3,161,425	778,847	1863.....	5,088,431	89,977
1854.....	2,980,140	969,398	1864.....	4,908,781	81,613
1855.....	2,631,491	805,655	1865.....	2,516,949	1,58,623
1846-55.....	\$30,839,833	\$6,825,629	1856-65.....	\$32,479,396	\$6,92,254

This shows the average rate of cost of repairs to amount of tolls in the ten years, 1846-55, was 22.13 per cent., and in the ten years, 1856-65, only 21.53 per cent. The ratio for the last decade would have been much lower but for the extraordinary expenses in 1865 to repair the damages done by the spring freshets.

COLLISION AT SEA.

Collisions between steam vessels have lately been of frequent occurrence, as well as attended by fatal and disastrous consequences, demonstrating either the existence of grave defects in our maritime code, or gross dereliction of duty on the part of those in charge of these vessels. In some of these instances the culpability has been fixed, but in others the responsibility remains undetermined. It is of the highest importance that the official regulations for the prevention of collisions with steamers should be efficient beyond all bounds of doubt. That there is, however, a prevailing belief that the code of directions is imperfect, is evident from the opinions of several eminent nautical men, and may justify the publication of the views of one whose nearly half-a-century's nautical experience entitles him to treat on this subject. We refer to Mr. E. C. Rutter, a retired officer of her Majesty's Postal Packet Service, now residing at Dover, who not only points out the defects in our maritime code, but suggests modified regulations by which he contends collisions may always be avoided, and he adduces as evidence of their practical value his successful working of the system for more than thirty years in the navigation of the narrowest and most crowded part of the British Channel. His suggestions have also found favor with several naval officers and members of Parliament to whom they have been explained, and they have undertaken to bring the matter before the Board of Trade, the marine authorities of which will doubtless investigate them, with the view, if they are found practicable, to their official promulgation.

Mr. Rutter states, that of six "situations" of steamers set forth in the Admiralty directions (1847), only the last one provides a correct and safe rule for preventing collisions, viz.: "that when two steamers meet end on to each other, both are to put their helms to port." No. 1 gives directions to one vessel only, and that to lead to collision when the vessels are near, and to incur risk when much apart. No. 2 represents two vessels at right angles, already safe, being half across each other, but makes no rules for their courses being right-angled instead of their hulls, which is a position of danger. Nos. 3 and 4 represents vessels approaching each other in direct opposite but parallel courses, where the vessel would pass each other if continued so, but omits to provide for the contingency of their being transverse, which is not indicated by the side lights that are of the same color in both vessels in either of these cases. If the latter happened, it would be likely to cause accident by one vessel crossing the other, and therefore a rule ought to be provided for both commanders to act by, though none is given, it being merely stated that the vessels are passing each other to starboard or to port, because the side lights are of corresponding colors to each other. No. 5 represents two vessels approaching each other on oblique courses, but gives

a rule to one commander only, and that, too, for him to put his helm the very way most likely to produce collision ; while no direction is given to the other commander, who is left to chance, in what is often a critical emergency, requiring correct and prompt action in both officers.

The object wanted for the security of lives and property is that both officers of steam vessels meeting each other in the night should have a rule of action prescribed and known by both, so that each might know with certainty how the other was going to put his helm, so as to act himself with confidence accordingly. Mr. Rutter has drawn a set of seven diagrams, which he says comprises every possible case of contingent difficulty between steamers, and from these he deduces four clear and safe practical rules for universal guidance in all cases.

The first case to be provided against is two vessels coming end on to each other on the same line of track, when each will see the three lights in a triangular form on board the other, in which by both putting their helms to port they will pass on the portside of each other.

The next case is when coming in opposite directions, but in different and parallel lines of track, in which position each will see only one side-light of the other, but both will be of the same color. In this case both vessels must go clear of each other while their lights are kept of the same color, the only danger being in altering the helms, for if one put to starboard and the other to port a collision would be inevitable.

The third case is when two vessels are steering across at right angles, or directly athwart each other, but showing themselves ahead, in which position the relative lights will be of different colors ; that they are approaching in a right angle direction will be manifested by rapidly changing the bearing of each other's lights ; for, as the direction one is coming in having no relation to the speed of the other, in consequence of its point-blank progress towards the other's broadside, it seems like a fixed light to the other, whose speed alone causes the rapid alteration of the bearing ; consequently, if an officer sees another steamer's lights thus rapidly altering when not more than two points before the beam, he knows she will quickly be abaft it, and there is no danger of collision. He could, however, bring the light abaft the beam immediately by putting his helm the opposite way to the other vessel's light. The principal danger begins in proportion as an opposite vessel's light bears more than two points before the beam, except when about two points from right ahead, because the rapid change of bearing is produced by the speed of the other vessel, which will as quickly cross the bow as she would be abaft in the former case ; only in this instance a change of helm would be highly dangerous, for the officer must point right at the other vessel before he could get under his stern, and unless he had considerable space to do it in, collision would be certain. In all cases of such bearing, the only safe and sure way is for both to put their helms hard over opposite ways, as indicated by opposite lights, and to stop their engines, or at least, to have only sufficient way to draw their heads round till their broadsides come abreast of each other, which precaution is especially necessary when the vessels are in close proximity. The vessels must be very close for a collision to happen at all ; but, even if it did occur, the vessels thus coming in contact sideways the collision could not be a serious one.

The last case is of two vessels approaching in oblique directions, either of obtuse or acute angles differing from a right angle: the course will then represent two sides of an angle rapidly converging toward apex or collision if obtuse, and gradually so if acute. In this the same rule applies as in that of the right-angled one, viz.: that, as different colored lights indicate transverse courses, putting the helms opposite ways, as guided by the contrary colored lights, must avoid collision, because both vessels combining in turning their heads from each other, a double effect is produced in the steerage.

From the above Mr. Rutter deduces two plain and certain rules which he believes quite as infallible as the one laid down by the Trinity Board against two vessels coming stern on to each other, and might be equally efficacious to prevent collisions if promulgated by official authority.

NEW ORLEANS AND HER MATERIAL INTERESTS.

We take the following from the New Orleans *Price Current* of the 7th Nov.—In an article on the trade of “New Orleans and the Great West,” which was published in our issue of the 3d of February, 1865, we referred particularly to the importance of establishing lines of tug-boats, which, owing to their smaller cost and greater capacity for transporting freight, would enable us to compete more effectually with the lines of railroad running east. At the time we wrote the article referred to, we hardly expected that the tow-boat system which we had so highly recommended would be so soon adopted; for only a short time, comparatively speaking, had elapsed before one of this new class of boats, with many freight barges in tow, reached our levee. This one was followed by others of the same class, and the result is that a regular line is now established between here and St. Louis under the name of the “Mississippi Valley Transportation Company.” These tow-boats are capable of transporting in barges, in tow, from two thousand to three thousand tons of produce down stream at a trip, and from six to nine hundred tons up stream, according to the stage of the river, and at rates of freight much lower than those usually charged by the costly constructed passenger boats. The success which has attended the starting of this line has, we are glad to say, encouraged others to embark in the business. In a short time there will be a line in operation between Cincinnati and this port which will be styled the “Ohio Valley Transportation Company.” For these additional facilities for increasing the commerce of our city we are, it is true, indebted to the enterprise of others, who are, of course, to be the greatest gainers; but, as we failed to take the lead, either from lack of energy or means, we have no right to complain. It is not too late, however, for us to enter the lists of competition, for the field is a wide one; but it will be necessary not only to build boats and ships, but railroads also, if we wish to retain anything like a fair proportion of the Western or even the Southwestern trade. Our reliance on the advantages of our natural position has already lost an immense amount of business which was once ours, and which it will be difficult to recover again. Already lines of steamers have been placed on Red River, the Arkansas and White Rivers, and in the Memphis trade, by our competitors in St. Louis, Cincinnati and other Western cities, and if we expect

even to share with them hereafter, we must no longer remain inactive. Besides the competition of these lines of Western boats, we have further to contend with numerous and efficient lines of railroads, and these, notwithstanding that New Orleans is the natural outlet for the produce of the Southwest, will every year draw largely from the trade of the lower Valley of the Mississippi. This we may as well make up our minds to expect; and yet, in fact, it should afford no real cause of discouragement to those interested in building up the trade of our city, if they will view the subject calmly and go to work in earnest. Whatever may happen, we will always be sure of a considerable portion of the trade of the whole Mississippi Valley, and this, with the trade of the extensive and prolific region of country west of us, the trade of which can be ours with but comparatively little effort, and despite of all opposition, if we are true to ourselves, will always assure us a fair share of prosperity. The important question is, have our people got sufficient foresight, and energy, to avail themselves of the wonderful opportunities which are open to them for adding to their own wealth, and increasing at the same time, the material prosperity of our city. If we should judge from the little public spirit which has been manifested heretofore, when it was proposed to build railroads leading from the city into the interior, and particularly in a direction to secure the Texas trade, we must confess that we would feel much discouraged; but we trust that a different feeling prevails now, and that our large property holders in particular, who are really the ones to be most benefitted, will no longer hold back, but, on the contrary, be the leaders in every movement that is calculated to promote the general welfare. Let them, as a beginning, have the short gap between the Opelousas road and the Sabine completed in a brief space of time, so that we will have railroad communication with Houston and the several roads leading from there further into the interior of Texas. This accomplished, let the next move be to extend a road into Northwestern Texas which is not only a cotton, but also a superior grain and stock raising region. By the building of these roads our trade with Texas would be increased even at the present time to a very large extent, and before the lapse of many years our business would grow to an almost incalculable amount.

THE SUEZ CANAL.

A letter from Alexandria of the 6th of October, says: "The cutting of the maritime canal of Suez, in the section from Suez to Chalouf, which was the last commenced, is being carried on with great activity. This section is divided into three parts—one that of the quarantine at Suez, the other in the plain of Suez at a distance of four miles, and that of Chalouf, ten miles distant. The number of cubic metres (the metre is about 3 feet 3½ inches) to be removed in these different points of the canal is 15,907,246. Since the commencement of the works 202,542 cubic metres have been extracted. There consequently remain to remove 15,704,704 metres cube. The number of laborers employed on the whole line is 2,200, of whom 1,500 are at Chalouf, 350 in the plain of Suez, 350 at the quarantine. The extraction is made at Chalouf by means of several inclined planes

with locomotives, which present the advantage of greatly assisting labor. Eighty miners and 200 laborers are occupied in blowing up the rock, which in this place is in the line of the canal, and of which the volume is 24,393 cubic metres. At the present moment 13,856 metres have been removed, so that there remain 10,539. The average monthly work done on this rock being 2,100 cubic metres, five months will still be necessary before it is completely finished. The earth-works in this place are, so to speak, insignificant compared with the rock; they amount to 113,566 cubic metres, of which 87,915 have already been taken away. For some time past the recruiting of Arab laborers has been made with facility, and the engineers have succeeded in inducing them to use wheel-barrows instead of couffins, which are much more convenient. If no obstacle should arise to disturb the recruiting, the preparatory works may be finished before the period originally fixed. The works of the Quarantine, and those of the Plain de Suez, consist in cutting two parallel trenches, which will give access to the first dredging machines. These trenches are 20 metres wide and nearly 90 centimetres deep, and are designated as Trench of Asia and Trench of Africa. At the Quarantine these trenches are 4,100 metres in length, and the banks of the Maritime Canal are thus indicated for all this length, with a trench on each side to receive the dredging machines. In the Plain of Suez the Trench of Africa is executed to a length of 2,400 metres, and that of Asia of 1,400. Certain modifications have recently been made in the line to be followed in the environs of Suez. A mass of rock, of 300,000 metres cube, instead of being cut through, is to be turned, and this will constitute a saving of about 10,000,000*f.* (£400,000) in the original estimate. By a recent decision of the directors, the width of the canal is to be 102 metres in those parts in which it lies below high water."

A NEW TEXTILE.

The last discovery which comes to us from Nevada is agricultural rather than mineral, but very important. It is of a new textile, such as was eagerly sought when the rebellion broke out, but unsuccessfully. The plant now discovered has its home in the Humboldt Valley, where it grows in large quantities, and can, of course, be made to grow more thriftily by cultivation, while if it has the values which are ascribed to it, it will soon be removed to other fields and propagated among regular crops.

The plant is said by the discoverers to be superior to any textile now in use. Though styled hemp, it is so called on account of its closer similarity to that than any other growth. It has a stronger and finer fibre than the proper hemp, and a much longer staple. In proportion to the wood, too, the fibre is much more abundant. It can be more easily separated than flax or hemp, and can be stripped clean from the stalk without preparation.

Nevada lies between thirty-seven degrees and forty-two degrees north. This corresponds with the latitude of Northern California, of San Francisco, Salt Lake City, Indianapolis, Columbus, and Philadelphia. The Humboldt River, along which the new hemp grows, runs from the mountains of that name westward, through a mountainous country. If, therefore, experiment proves what is now claimed for this textile, it can be prolonged in its cultivation from its original habitat to our own doors, and will enhance the value of the hemp harvest in those States where it is now an important feature.—*Phila. Gazette.*

REPORT OF THE SECRETARY OF THE TREASURY FOR THE FISCAL YEAR ENDING JUNE 30, 1866.

The following is the report of Secretary McCulloch for the fiscal year ending June 30, 1866 :

WASHINGTON, Thursday, Oct. 11, 1866.

The fiscal year ending on the 30th of June, 1866, was one of great material prosperity to the Treasury Department. The respective balances for the commencement and conclusion of the year were as follows :

Cash on hand June 30, 1865	\$85,799 13
Cash on hand June 30, 1866.....	130,000 13 1/2
Net gain	\$122,511 50 1/2

If the gold in the national vaults, estimated in the foregoing figures at par, were expressed in currency figures, it would show a balance on hand at the conclusion of the year of over \$160,000,000.

The receipts and expenditures of the United States for the fiscal year are as follows:

RECEIPTS.		EXPENDITURES.	
From Customs:		Civil, foreign, and miscellaneous:	
Quart'r end. Sept. 30..	\$47,009,583 03	First quarter.....	\$10,571,499 35
do do Dec. 31.....	39,216,398 89	Second quarter	9,477,122 25
do do March 31.....	46,645,597 83	Third quarter.....	9,340,000 17
do do June 30.....	46,175,151 89	Fourth quarter	11,851,322 32
Total	\$179,046,630 64	Total	\$41,049,945 89
From Public Lands:		Pensions and Indians:	
First quarter	\$182,890 63	First quarter	\$6,024,341 32
Second quarter	175,245 56	Second quarter	1,437,622 22
Third quarter	180,175 21	Third quarter.....	5,848,127 14
Fourth quarter	176,719 68	Fourth quarter	2,963,392 32
Total.....	\$685,031 03	Total	\$16,253,300 44
From Direct Tax:		War:	
First quarter	\$31,111 30	First quarter	\$165,369,257 22
Second quarter.....	368,848 31	Second quarter	68,122,341 46
Third quarter.....	1,086,163 44	Third quarter.....	33,213,900 15
Fourth quarter.....	488,636 07	Fourth quarter	12,744,022 00
Total	\$1,974,754 12	Total.....	\$384,449,701 23
Internal Revenue:		Navy:	
First quarter	\$96,618,865 65	First quarter	\$16,520,000 51
Second quarter.....	82,597,156 93	Second quarter.....	10,341,553 00
Third quarter.....	68,153,031 81	Third quarter.....	7,430,392 20
Fourth quarter	68,857,788 93	Fourth quarter.....	9,218,474 44
Total.....	\$309,226,812 82	Total.....	\$43,510,420 15
Miscellaneous:		Interest:	
First quarter.....	\$18,393,729 94	First quarter	\$36,173,451 32
Second quarter	17,515,705 56	Second quarter	30,721,327 17
Third quarter.....	10,774,024 80	Third quarter.....	30,034,447 21
Fourth quarter	18,842,516 66	Fourth quarter	16,155,220 39
Total.....	\$65,125,966 46	Total.....	\$133,074,375 79

From these figures it appears that the receipts and expenditures of the year 1865-66 were as follows :

RECEIPTS.		EXPENDITURES.	
From customs..	\$179,046,630 64	Civil, foreign and mis.....	\$41,049,945 89
From public lands.....	685,031 03	Pensions and Indians	16,253,300 44
From direct tax.....	1,974,754 12	War.....	384,449,701 23
From internal revenue	309,226,812 81	Navy	43,510,420 15
From miscellaneous.....	65,125,966 46	Interest.....	133,074,375 79
Total.....	\$556,089,195 06	Total	\$518,347,377 79
		Total receipts	556,089,195 06
		Total expenditures.....	518,347,377 79
		Excess of receipts	\$37,741,817 27

But this excess of thirty-seven millions of receipts does not show the capacity of the country to pay off its debts, for it all occurred in the last few months. The war expenses of the first quarter were \$165,000,000; during the last quarter they had dwindled to \$12,000,000. The expenditures of the War Department during the coming year would be over \$240,000,000, less than that of the past year, were it not for the Equalization Bounties Bill.

As compared with the fiscal year ending June 30, 1865, we find in the past year an increase of receipts from Internal Revenue of \$100,000,000, and of customs of \$95,000,000; while there has been a diminution of expenses for war of over \$750,000,000, and for the Navy of \$80,000,000. The year ending December 31, 1865, showed a deficiency of \$619,000,000: six months after that time, the year ending June 30, 1866, showed an excess of receipts over expenditures of nearly \$37,000,000.

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurers' returns in the Treasury Department, on the 1st of September, 1st of October and the 1st of November, 1866, comparatively :

DEBT BEARING COIN INTEREST.

	Sept. 1.	Oct. 1.	Nov. 1.
5 per cent. bonds.....	\$198,091,350	\$198,091,350	\$198,091,350
" " of 1867 and 1868.....	18,323,592	18,323,592	16,133,742
" " of 1881.....	283,784,800	283,788,750	283,789,750
" " 5.20's.....	773,422,800	798,162,250	823,944,000
Navy Pension Fund.....	11,750,000	11,750,000	11,750,000
	\$1,288,822,542	\$1,310,065,942	\$1,333,558,842

DEBT BEARING CURRENCY INTEREST.

6 per cent. bonds.....	\$8,202,000	\$8,922,000	\$9,882,000
Temporary Loan.....	45,538,000	22,500,000	.....
3-year Compound Interest Notes.....	155,512,140	155,512,140	148,512,140
3-year 7.30 notes.....	769,518,900	743,996,050	724,014,800
	\$1,079,668,960	\$930,930,190	\$882,408,440

DEBT ON WHICH INTEREST HAS CEASED.

Various bonds and notes.....	\$4,670,160	\$23,302,372	\$36,988,909
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DEBT BEARING NO INTEREST.

United States Notes.....	\$399,603,592	\$399,165,292	\$390,195,785
Fractional currency.....	26,483,998	27,029,273	27,588,010
Gold certificates of deposit.....	15,430,220	11,057,640	10,896,980
	\$443,449,047	\$437,252,205	\$428,680,775
Aggregate debt.....	\$2,723,314,836	\$2,701,550,709	\$2,681,636,966
Coin and Currency in Treasury.....	132,631,668	128,213,767	130,326,966
Debt, less coin and currency.....	\$2,595,683,168	\$2,573,336,942	\$2,551,310,000

The following statement shows the amount of coin and currency separately at the dates in the foregoing table :

	Sept. 1.	Oct. 1.	Nov. 1.
Gold Coin.....	\$76,333,918	\$86,259,909	\$99,413,018
Currency.....	56,297,750	41,953,858	30,913,942
Total gold coin and currency.....	\$132,631,668	\$128,213,767	\$130,326,966

TREASURY DEPARTMENT.—INSTRUCTIONS TO CORRESPONDENTS.

As the regulations of the Treasury Department relative to United States securities are imperfectly understood by the public, a revision of these regulations has just been made by the Register of the Treasury. New instructions are added, and forms are furnished which will render easy the correspondence with the Department on the various subjects growing out of this now world-wide interest. The exchange, the transfer, the conversion of bonds, the payment of interest, the assignment of stocks to heirs, by executors, &c., and this in foreign countries and in various tongues, require that the rules and forms adopted for security of both holder and government should be known. We copy from it the instructions to correspondents with the Treasury office:

"Letters relating to redemption of public securities, the conversion of 7 3-10 Treasury notes, or the exchange of coupon bonds for registered certificates, should be addressed to the Secretary of the Treasury. Letters relating to the transfer of registered stock, or payment of interest on the same, should be addressed to the Register of the Treasury. The transfer books are closed for thirty days previous to the day for payment of dividends, and stockholders desiring the place of payment changed must give notice to the Register one month at least before the day of payment. When bonds are sent for transfer state where interest is to be made payable, and always inclose stock of different loans in separate letters. When specifying the different loans, or referring to the interest, name the amount of stock, and describe the loan by the date of the act of Congress authorizing it. Powers of attorney for the assignment of United States stock, and assignments, must be properly filled before transmission to the Register, as no blanks can be filled in his office. Powers of attorney to draw interest should be addressed to the First Auditor of the Treasury."

COMMERCIAL CHRONICLE AND REVIEW.

Public debt statement—Debt should not be paid too rapidly—Speculation in Wall-street—Ease in commercial circles—Course of gold—Treasure movement—Prices of government—Railroad earnings, etc., etc.

The November statement of the public debt, which has just been issued, is a very satisfactory one in many respects; but it is of especial interest as bringing prominently forward the two important questions respecting it—first, its consolidation, and second, its pressure.

First, as to consolidation. The obligations of the Treasury, as the report shows, amount to 2,551 millions. Of these more than half are consolidated into long bonds, the aggregate of which is 1,343 millions. The rest consists of 417 millions of currency, not redeemable; and about 926 millions of short obligations, which are redeemable at various times, 50 millions being due on demand, 200 millions in the summer and autumn of 1867, and 526 millions in June and July of 1868. It is with these 926 millions of short-date paper that we have chiefly to deal in carrying on the work of consolidation, and the entire mass will have to be got out of the way in one year and eight months from this time. After this general survey, it is superfluous to say that an immense financial task spreads itself out before us. The amount we have to fund is greater than was ever funded in the same interval by Great Britain in the most expensive period of her wars with Napoleon; it is far greater than was ever funded in two years by any nation in the world. Could we not look back on the last year of the war, and remember that we then raised 1,800 millions, we might well be appalled

at the prospect before us. But with such past proofs of what we can do and bear, with our experience of the vast recuperative expansiveness of our resources we need have no fear as to our success in the work of providing for our maturing obligations in the next 18 or 20 months.

Second, as to the pressure of the debt on the resources of the country, this might arise from its absorbing floating capital, and thus preventing this capital from becoming productive in the industrial activity of our people. In the funding of our floating debt, however, this cannot occur, as the process involves merely the changing of the form of the obligation, and the converting of one investment into another. There are, however, other ways in which the public debt might exert an undue pressure on the capital of the country. For example, there are cases where over-taxation is resorted to to pay off a public debt. To the farmer it is impoverishment, if not ruin, to consume his seed-corn. But the active capital of any country is, as it were, the seed corn of the field of finance; it is the germ which will fructify and bring forth crops of future capital. To take from a farmer, or a manufacturer, or a merchant, by taxation, such a part of his annual returns as impairs his working capital, is to mutilate his wealth-producing faculties, and the process, if extended over an entire country, will necessarily check its growth in wealth. Thus a small aggregate of excessive taxation may in a short time destroy ten times as much capital as it brings into the Treasury. Let us not be misunderstood. We do not object to the liquidation of our debt as quickly as possible. The point on which we insist is, that it is very bad policy to tax ourselves for this purpose so heavily as to paralyse or maim our productive powers, to depress any of our great industrial interests, or to diminish the volume of any of those streams of capital which the mighty productive springs of wealth are constantly pouring into the reservoir of the national resources. From what has been said it is evident that we do not regard with much favor the extravagant predictions which are current, of our paying off the debt in one or two decades of years. We can never enrich a nation by impoverishing its individual citizens, but we can as truly diminish the pressure of a burden, when we give more strength to the shoulders that bear it, as when we lessen the burden itself. It has been well observed, that the pressure of a national debt is not to be estimated by the aggregate amount of the principal, but by the annual interest which has to be paid upon it, and by the proportion these payments bear to the aggregate incomes of the whole people. In this point of view we have always regarded the annual interest of our debt as a matter that should on no account be ever omitted. For some reason, which we are at a loss to discover, the omission has been allowed for a few months past, and it has justly given rise to some very natural public complaints.

In the report of the debt for last month, as our readers will see by consulting it, there are several particulars of a very gratifying character, such as the cancelling of nearly 16 millions of greenback and compound legal tenders, the disappearance of the temporary loan from the schedule, the emission of a new series of long bonds intended to form the nucleus of our consolidated debt, and the vigor with which the conversion of Seven-thirties into long bonds has been conducted by the financial agents of the Treasury. On these and other related topics we may have something to say hereafter. At present we will only call attention

once more to the needless enlargement of the coin balance in the Treasury. A considerable part of this gold might be disposed of with equal saving to the Treasury and advantage to the people.

The leading topic of discussion in Wall-street is the current speculation in the stock market and elsewhere, which as yet shows very few immediate signs of abatement. Its causes are still so active that we can scarcely forecast the time when the inevitable reaction will set in. Among the chief of these causes we may mention the efforts of the cliques of capitalists which control and manipulate almost all the leading securities on the list, after having bought up for that purpose a large proportion of the outstanding shares; secondly, the mischievous and morbid ease in money, which permits these cliques to raise on favorable terms the immense sums they require to carry out their projects; thirdly, the presence of a large number of outside speculators eager to purchase, consisting of men from the West, the South, and indeed from almost all parts of the country, most of whom are intent on buying stocks, in the full confidence that what is bought to-day will sell at a higher price to-morrow. At present, as the money market is tranquil and no adverse forces oppose the current of popular opinion, the tide of inflation and of advancing prices tends continually towards that culminating highest point at which the reaction will begin. The following are the rates of loans and discounts during the month:

RATES OF LOANS AND DISCOUNTS.

	Oct. 5.	Oct. 12.	Oct. 19.	Oct. 26.
Call loans.....	4 @ -	4 @ -	4 @ 5	4 @ 5
Loans on Bonds and Mortgage.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1, endorsed bills, 2 mos.....	5 @ -	4½ @ -	5 @ -	5 @ -
Good endorsed bills, 3 & 4 mos.....	5 @ 6	5 @ 6	5½ @ 6	5½ @ 6
“ “ single names.....	6 @ 7	6 @ 7	6 @ 7	6 @ 7
Lower grades.....	9 @ 12	9 @ 12	9 @ 12	9 @ 12

The most notable feature of the business of the month has been the development of a vague feeling of apprehension in mercantile circles. It would be difficult to account for this new phase of affairs upon any definite grounds. Perhaps it may be traceable chiefly to a disappointment which has certainly been experienced among merchants in the interior as to the character of the fall business. The purchases of the Western jobbers during the early part of the season were quite liberal, based upon an expectation of a good demand resulting from a plentiful harvest. They now report that the demand from the retail dealers is limited; and that owing to the high prices at which they have to offer merchandise, they find it impossible to do an average amount of business. At the same time, there are complaints of difficulty in making collections, the result of which has appeared in the interior jobbers having to request renewals of their maturing notes. The obvious explanation of these symptoms is that the high prices of goods are at last compelling a sharp curtailment of consumption. This phase of business has not been unanticipated among merchants and manufacturers. On the contrary, its appearance has been looked for with anxiety, as the period at which the inevitable test of the soundness of the present condition of affairs must be applied. They have taken the very rational view that so long as consumers would take the ordinary amount of goods at the current prices

there could be no material change in values; but have also foreseen that, so soon as the community found it necessary to economise consumption, it would be impossible, with the current large production, to sustain the present high rate of values. It, therefore, is not surprising that these signs of the times should produce a certain degree of anxiety among our city merchants.

The uneasiness suggested from these causes has been heightened by the failure of a large manufacturing firm at Cohoes, involving the suspension of a well known commission house in this city, and by the suspension of two firms engaged in woolen manufacturing in New England. Owing to these circumstances October closed with a feeling of great depression in the dry goods market and also in the wool trade.

As yet, these influences have scarcely produced any tangible effect upon the discount market. There is less disposition to buy paper; but this is perhaps chiefly attributable to the banks being able to get higher rates upon call loans and to their anticipating a still further advance in the rate of interest during November. There is no reason for supposing that any paper hitherto negotiable would be now refused at an advance of one per cent. in the rate of discount.

The speculative movement in stocks, during the month, has exceeded in volume anything in the history of Wall street. The large amount of idle capital held by the banks has been available to the brokers at 3@5 per cent. on call, and without stint as to amount—a circumstance quite sufficient to induce speculative combinations of great influence and to create wild fluctuations in the prices of securities. The immense transactions of this character have produced an amount of banking transactions which in ordinary times would have been deemed impossible of realization. For the four weeks of October, the exchanges at the Clearing House aggregated \$3,186,427,641; which is more than equal to five months transactions six years ago.

The following statement shows the transactions in securities at the regular and open boards, during October:

Shares, sold at Regular Board.....	1,421,880
“ “ at Open Board.....	1,652,226
Total sold at both boards	3,074,106
Government Bonds sold.....	\$10,282,800
“ Notes “	2,788,250
State and City Bonds “	2,792,300
Railroad and other Bonds sold.....	1,234,700
Total Bonds and Notes sold.....	\$17,012,550

The following are the closing quotations of the leading stocks on Friday of the last seven weeks:

	Sep. 21.	Sep. 28.	Oct. 5.	Oct. 12.	Oct. 19.	Oct. 26.	Nov. 2.
Cumberland Coal.....	48	51½	53½	58	58½	61	67½
Quicksilver .....	....	53½	55½	54½	55½	58	55½
Canton Co.....	54	54½	....	56½	....	53	55½
Mariposa pref.....	83½	80½	80½	80½	20½	81½	31
New York Central.....	106½	114½	116	118½	119½	120	119½
Erie	75½	79½	90½	88½	83½	84	85½
Hudson River	120½	121½	122½	122½	....	125	125½
Reading.....	115	116½	116½	116½	115½	115½	117
Michigan Southern	85½	85½	89½	90½	90½	92½	93½
Michigan Central.....	118	114½	114	117½	....	....	116½
Cleveland and Pittsburg.	87	89½	89½	93½	91½	92½	94
Cleveland and Toledo....	117½	121½	122½	127½	120	121	120½
Northwestern	85½	87½	42½	46½	51½	57½	58½
“ preferred..	67½	71	73½	75½	76	80½	80½
Rock Island	111	112	107½	108½	108½	109½	111½
Fort Wayne	105½	107½	108½	109½	109½	109½	111½
Illinois Central	121½	123½	123	128	127	125½	126½

The gross earnings of the undermentioned railroads for the month of September, 1865 and 1866, comparatively, and the difference (increase or decrease) between the two years are exhibited in the following statement :

Railroads.	1865.	1866.	Difference
Atlantic & Great Western.....	\$540,537	\$528,959	Dec. \$11,578
Chicago & Alton.....	401,220	318,549	Dec. 82,671
Chicago and Great Eastern.....	106,859	103,037	Dec. 3,822
Chicago & Northwestern.....	946,707	989,053	Inc. 42,346
Chicago, Rock Island & Pacific.....	389,459	326,050	Inc. 63,409
Erie (incl. Buffalo Division).....	1,435,285	1,411,347	Dec. 23,938
Illinois Central.....	739,736	551,031	Dec. 188,705
Marietta & Cincinnati.....	125,252	108,838	Dec. 16,414
Michigan Central.....	460,661	429,160	Dec. 31,501
Michigan Southern.....	486,806	429,191	Dec. 57,615
Milwaukee & Prairie du Chien.....	228,020	150,989	Dec. 77,031
Milwaukee and St. Paul.....	300,841	275,906	Dec. 24,935
Ohio and Mississippi.....	350,848	278,701	Dec. 72,147
Pittsburg, Fort Wayne & Chicago.....	795,938	661,608	Dec. 134,330
Toledo, Wabash and Western.....	379,981	349,117	Dec. 30,864
Western Union.....	75,677	84,462	Inc. 8,785
Total (16 roads).....	\$7,762,949	\$7,063,488	Dec. \$699,461

The earnings for the first nine months of the years as above are shown in the following table :

Railroads.	1865.	1866.	Difference
Atlantic & Great Western.....	\$3,788,583	\$4,141,633	Inc. \$353,050
Chicago and Alton.....	2,987,890	2,722,541	Dec. 265,349
Chicago and Great Eastern.....	777,354	920,844	Inc. 143,490
Chicago and Northwestern.....	5,741,295	6,175,981	Inc. 434,686
Chicago, Rock Island & Pacific.....	2,534,139	2,366,148	Dec. 167,991
Erie (including Buffalo Division).....	11,140,215	10,644,721	Dec. 495,494
Illinois Central.....	5,377,644	4,690,515	Dec. 687,129
Marietta and Cincinnati.....	890,516	852,771	Dec. 37,745
Michigan Central.....	3,237,815	3,043,217	Dec. 194,598
Michigan Southern.....	3,455,066	3,386,871	Dec. 68,195
Milwaukee & Prairie du Chien.....	1,337,410	1,354,558	Inc. 17,148
Milwaukee and St. Paul.....	1,621,580	1,661,606	Inc. 40,026
Ohio and Mississippi.....	2,723,515	2,485,762	Dec. 237,753
Pittsburg, Ft. Wayne and Chicago.....	6,397,531	5,486,179	Dec. 911,352
Toledo, Wabash and Western.....	1,942,582	2,639,339	Inc. 696,757
Western Union.....	497,059	584,017	Inc. 86,958
Total (16 roads).....	\$54,338,917	\$53,136,123	Dec. \$1,202,794

The aggregate earnings of the same roads in September, as compared with those of August, show the following result :

	1865.	1866.	Difference.
September.....	\$7,762,949	\$7,063,488	Decrease.... \$699,461
August.....	7,182,414	6,594,861	Decrease.... 587,553
Increase in September.....	\$580,535	\$528,627	Decrease.... \$51,908
do do p. c.....	8.84	8.00	Decrease.... .94

This shows that the increase of business for September has been very nearly equal in the two years, and certainly is more favorable for the current year than could have been anticipated. The aggregate decrease for the nine months from the figures of 1865 is now \$1,202,789, or 2.21 per cent. It is evident from this showing that the business of the country has not been falling off, since many of the leading companies have been carrying freight at reduced rates. It may also be assumed that labor and materials have cost less in 1866 than in the previous year, while expenditures for repairs and new rolling stock have not been as great and hence that larger net earnings have probably been made. These considerations point to a continuance of dividends, except in special instances, as with the Erie Company, where earnings have been diverted from their legitimate uses.

The course of the gold market has been comparatively steady. The impor-

ters and professional operators appear to have discovered the folly of keeping the market constantly oversold, thereby producing a chronic scarcity of gold, sustaining the premium, and playing into the hands of strong combinations for forcing up the price; and there has consequently been a marked falling off in the amount of "short" transactions, while the rate of interest on borrowed coin has been nominal. The anticipation of the disbursement of about \$24,000,000 of gold upon the November coupons has had much less effect upon the premium than might have been expected, the price at the close of the month being about the same as at the opening. This circumstance appears to be due chiefly to the unsettled condition of home politics and to the new diplomatic aspects suggested by the reported adjustment of the Mexican question. The highest price touched during the month was 153½, and the lowest 145½. We annex the daily quotations for the month :

COURSE OF GOLD FOR OCTOBER.

Date.	Open'g	High'st.	Lowest	Closing.	Date.	Open'g	High'st	Lowest	Closing.
Monday.....	1 146	146½	145½	146½	Saturday.....	20 147	147	146½	146½
Tuesday.....	2 147½	148½	147½	148½	Sunday.....	21 .....	.....	.....	.....
Wednesday.....	3 148½	148½	147½	147½	Monday.....	22 146½	146½	145½	146½
Thursday.....	4 148½	148½	148½	148½	Tuesday.....	23 145½	147½	145½	147½
Friday.....	5 148½	149½	148½	149½	Wednesday.....	24 147½	148½	147½	147½
Saturday.....	6 149½	149½	148½	149½	Thursday.....	25 146½	148	146½	148
Sunday.....	7 .....	.....	.....	.....	Friday.....	26 148	149	147½	147½
Monday.....	8 149½	149½	148½	149½	Saturday.....	27 146½	146½	145½	146½
Tuesday.....	9 149	149½	148½	149½	Sunday.....	28 .....	.....	.....	.....
Wednesday.....	10 149½	151½	149½	150½	Monday.....	29 145½	145½	146	146½
Thursday.....	11 151	153½	151	152½	Tuesday.....	30 146½	146½	146	146½
Friday.....	12 150½	153½	150½	153	Wednesday.....	31 146½	146½	146½	146½
Saturday ..	13 153½	154½	152½	153	Oct'r...1866.....	146	154½	145½	146½
Sunday.....	14 .....	.....	.....	.....	" 1865.....	144½	149	141½	146½
Monday.....	15 153½	153½	150½	150½	" 1864.....	192	227½	189	223½
Tuesday.....	16 149½	150½	147½	148½	" 1863.....	149½	156½	140½	145½
Wednesday.....	17 148	148½	147½	148½	" 1862.....	121½	133½	122	129½
Thursday.....	18 148½	148½	148½	148½	" 1861.....	100	100	100	100
Friday.....	19 148½	149	147	147½					

The movement of treasure at this port has resulted in an excess of supply over export amounting to \$5,202,207. The movement for the last four months shows a gain of nearly 16 millions; for the first ten months of the year, however, the exports exceeded the combined imports from California and from foreign ports by \$11,293,135. The receipts from California are again assuming large proportions, the receipts for the ten months being larger than for the same period of any of the last seven years. This is, to a considerable extent, due to the large arrivals of treasure at San Francisco from Nevada, the receipts for the first nine months of the current year having exceeded \$11,000,000. The following figures will show the movements of treasure at this port :

MOVEMENT OF TREASURE AT NEW YORK.

Months. &c.	New Supply.			Exports to for. ports.	Excess of	
	California.	Foreign.	Total.		Supply.	Export.
January.....	\$1,485,314	\$72,771	\$1,558,087	\$2,706,336	\$.....	\$1,148,249
February.....	8,603,000	172,122	8,775,122	1,807,030	1,988,092	.....
March.....	3,958,291	285,854	4,244,145	1,045,039	3,199,105	.....
April.....	1,589,321	161,817	1,751,138	588,875	1,162,263	.....
May.....	3,992,148	393,073	4,385,221	23,744,194	.....	19,358,973
June.....	1,842,271	94,549	1,936,820	15,890,956	.....	13,954,136
July.....	6,754,669	345,961	7,100,630	5,821,459	1,278,171	.....
August.....	4,477,659	299,221	4,776,880	1,587,851	3,189,029	.....
September.....	2,884,432	5,193,473	8,077,905	834,550	7,243,355	.....
October.....	4,902,207	1,500,000*	6,402,207	1,200,000*	5,202,207	.....

Jan. Oct. '66.	\$35,439,313	\$8,488,841	\$43,928,155	\$55,226,290	\$.....	\$11,591,135
do do '65.	16,232,883	1,773,401	18,006,239	25,196,342	.....	7,159,121
do do '64.	9,719,908	1,988,919	11,708,827	37,432,063	.....	25,727,244
do do '63.	10,637,211	1,306,174	11,943,385	39,056,152	.....	27,113,767
do do '62.	20,992,949	1,201,253	22,194,202	49,541,658	.....	27,347,454
do do '61.	81,217,218	35,826,053	67,43,276	3,291,852	63,748,424	.....
do do '60.	23,208,790	2,236,463	30,445,255	41,562,770	.....	11,117,555
do do '59.	33,025,558	2,463,700	35,489,258	61,270,019	.....	27,721,241

* Estimated.

From San Francisco the combined exports of treasure and merchandise during the first nine months of the current year compared with the same period of 1864 and 1865, were as follows:

	1864.	1865.	1866.
Merchandise exports.....	\$9,523,513 00	\$10,105,919 31	\$12,111,671 20
Treasure exports.....	43,772,569 00	33,111,365 87	34,621,421 53
Totals	\$53,301,102 00	\$43,217,284 68	\$46,733,092 73

The receipts of treasure from all sources at San Francisco, through regular public channels, during the same nine months of 1866, have been as follows:

From California, Northern Mines.....	\$18,711,753
From California, Southern Mines.....	2,421,420
From Nevada.....	11,000,000
From Coastwise Ports, Oregon, &c.....	4,420,000
Imports, Foreign, British Columbia, &c.....	2,031,464
Total	\$38,564,637

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows:

1866. week ending	TREASURE MOVEMENT FOR 1866.						In banks at close of week
	Receipts. from California.	Exports. to foreign countries.	Sub-Treasury Customs receipts.	Interest payments.	Gold Certificates issued.	Gold Certificates returned.	
Jan. 6.....		\$552,027	\$2,107,841	\$3,597,240	\$3,122,440	\$1,34,8832	\$15,72,76
" 13.....	\$685,610	640,503	2,334,694	1,130,789	3,206,180	1,573,194	16,352,56
" 20.....	799,706	685,894	2,754,369	574,162	2,706,406	1,923,641	15,353,70
" 27.....		656,812	3,226,040	279,842	2,598,400	2,137,048	13,106,70
Feb. 3.....	944,878	292,568	3,347,422	115,204	2,081,280	2,221,423	10,937,74
" 10.....	1,449,074	4,3409	3,251,734	120,179	1,916,700	2,376,735	10,125,46
" 17.....		445,489	2,893,008	94,828	2,992,900	2,158,009	10,300,73
" 24.....	1,209,048	560,193	2,608,796	119,679	5,893,280	1,995,796	14,213,52
Mar. 3.....		75,453	3,386,934	1,183,343	2,125,000	2,664,934	17,191,10
" 10.....	1,469,286	556,284	2,297,836	882,712	2,101,000	1,706,835	16,563,27
" 17.....	1,425,358	236,671	2,464,462	323,593	1,493,400	1,919,463	15,015,22
" 24.....	389,837	170,297	2,509,419	174,911	361,280	1,886,419	13,945,51
" 31.....	673,615	3,500	2,451,345	225,414	1,376,000	1,895,334	11,920,72
Apr. 7.....		216,842	2,863,010	63,140	3,016,840	2,120,100	11,436,25
" 14.....	729,862	122,628	2,857,704	49,800	5,038,460	2,274,704	11,055,19
" 21.....	809,459	117,812	2,585,568	83,169	4,071,000	1,971,568	9,495,46
" 28.....		73,880	2,246,207	40,506	4,187,140	1,760,307	8,243,67
May 5.....	1,318,271	1,247,249	2,711,181	7,061,900	4,653,000	2,227,181	10,914,97
" 12.....	1,072,620	1,064,496	2,417,391	2,648,000	3,110,000	1,943,391	13,570,42
" 19.....		8,763,295	2,542,814	1,702,000	2,842,000	2,069,814	13,566,66
" 26.....	1,276,505	9,421,766	2,858,455	940,100	9,177,000	1,229,454	19,376,29
June 2.....	324,562	6,870,997	2,182,895	70,500	1,327,000	1,911,895	26,556,38
" 9.....	949,906	4,220,756	2,141,036	283,800	2,626,000	1,863,027	15,621,63
" 16.....		6,055,743	2,071,621	67,000	3,719,000	1,768,621	11,217,26
" 23.....	892,365	1,408,286	2,209,676	106,134	2,793,000	1,809,676	8,594,05
" 30.....		550,574	2,002,265	298,748	3,232,000	2,309,264	7,792,20
July 7.....	1,617,899	1,630,730	2,471,626	3,964,634	4,174,000	2,081,626	9,965,26
" 14.....	1,429,832	2,239,270	2,486,296	1,267,600	3,614,460	2,182,226	12,471,64
" 21.....	2,051,456	416,013	2,480,149	324,100	2,452,000	2,187,149	10,980,10
" 28.....		1,515,446	2,926,884	277,044	2,120,000	2,54,824	9,70,347
Aug. 4.....	1,655,481	530,174	2,794,659	135,500	1,809,000	2,400,653	9,440,00
" 11.....		152,875	2,676,332	61,400	970,000	2,328,331	8,434,27
" 18.....		117,990	2,461,877	50,300	2,064,000	2,145,876	7,545,57
" 25.....	3,091,601	787,312	3,069,893	61,937	2,188,000	2,545,893	6,694,77
Sep. 1.....		803,912	3,199,168	241,000	2,265,000	2,853,168	6,351,00
" 8.....		157,062	3,222,266	1,985,108	2,005,000	2,768,266	7,453,10
" 15.....	1,669,359	197,234	3,105,457	262,000	1,494,000	2,807,457	7,257,10
" 22.....	1,215,073	112,500	2,399,200	95,400	3,973,000	2,146,979	7,022,61
" 29.....		38,240	2,876,777	231,706	1,701,000	2,50,717	7,643,90
Oct. 6.....	1,109,537	224,385	2,266,234	370,000	2,302,000	1,934,385	6,303,10
" 13.....	1,135,093	198,050	2,516,381	198,050	2,361,000	2,175,381	5,526,02
" 20.....	1,423,705	66,202	2,629,823	66,202	1,692,000	2,761,823	5,301,45
" 27.....		523,198	2,460,886	453,198	2,877,140	2,233,886	7,063,29

Since Jan 1..... \$34,210,440 54,703,233 113,746,695 31,977,008 122,078,280 101,033,185 \$.....

In addition to the receipts of gold from California as given above, there was received on the 31st \$1,228,869, making the total to the end of October \$35,439,313.

The steadily augmenting amount of idle capital at this centre has caused an increased demand for public securities; at the same time there has been a continued outflow of Five-twenties to Europe; and, under these influences, the prices of bonds and Treasury notes, though fluctuating, have been generally firm. Five-twenties of 1862 have touched the extraordinary figure of 115¼—an advance of ¾ upon the price at the opening of the month. We present a record of the daily quotations of leading Government securities during October :

PRICES OF GOVERNMENT SECURITIES, OCTOBER, 1866.

Day of month.		6's, 1881.—		6's, 5-20 yrs.—		5's, 10-40 yrs.—		7-30's,
		Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	1867.
Monday	1.....	111½	111½	111½	.....	99½	.....	106½
Tuesday	2.....	111½	.....	111½	...	99½	99½	106
Wednesday	3.....	111½	.....	111½	.....	99½	99½	106½
Thursday	4.....	.....	.....	112	.....	99½	.....	106
Friday	5.....	112½	111½	112½	.....	99½	.....	106½
Saturday	6.....	112½	.....	.....	.....	99½	99½	106½
Sunday	7.....	.....	.....	.....	.....	.....	.....	.....
Monday	8.....	112½	.....	113½	.....	99½	.....	106½
Tuesday	9.....	112½	.....	113½	105½	99½	99½	106½
Wednesday	10.....	112½	112½	113½	.....	99½	.....	106½
Thursday	11.....	112½	112½	113½	.....	99½	.....	106½
Friday	12.....	.....	.....	113½	.....	.....	.....	106½
Saturday	13.....	112½	113	113½	.....	99½	.....	106½
Sunday	14.....	.....	.....	.....	.....	.....	.....	.....
Monday	15.....	113½	113	113½	106	99½	.....	.....
Tuesday	16.....	.....	112½	113½	.....	99½	99½	.....
Wednesday	17.....	112½	113	114	.....	99½	99½	106½
Thursday	18.....	112½	112½	114½	.....	99½	99½	106½
Friday	19.....	113½	113	115½	106	99½	100	107
Saturday	20.....	.....	113½	115	.....	99½	100	106½
Sunday	21.....	.....	.....	.....	.....	.....	.....	.....
Monday	22.....	113½	118½	114½	...	100	100	106½
Tuesday	23.....	113½	.....	114½	106	100	.....	106½
Wednesday	24.....	113½	118½	114½	106	100	.....	106½
Thursday	25.....	113½	118½	114½	106½	100	.....	106½
Friday	26.....	113½	118½	114½	.....	.....	.....	106½
Saturday	27.....	.....	.....	114½	106	100	100½	106½
Sunday	28.....	.....	.....	.....	.....	.....	.....	.....
Monday	29.....	.....	.....	114½	106	99½	.....	106½
Tuesday	30.....	.....	.....	114½	.....	100	.....	106½
Wednesday	31.....	.....	.....	114½	.....	100½	.....	106½
Opening.....		111½	111½	111½	105½	99½	99½	106½
Highest.....		113½	113½	115½	106½	100½	100½	107
Lowest.....		111½	111½	111½	103½	99½	99½	106
Closing.....		113½	113½	114½	106	100½	100½	106½

The following shows the range of daily closing prices for government securities, monthly and for the first ten months of the current year :

		6s 1881		6s (5-20s)		5's(10-4 s)		7-30s	Certif
		Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	1-67.	cates
January ...	Highest.....	104½	104½	105	102½	93½	93½	99½	98½
	Lowest.....	103½	103½	101½	101½	92½	93	98½	98½
February...	Highest.....	104½	104½	103½	103½	94½	91½	99½	98½
	Lowest.....	103½	103½	102½	102½	93½	91½	99½	98½
March	Highest.....	105½	105	104½	104	92½	91	101½	98½
	Lowest.....	104½	104½	103	103	90	90½	99½	98½
April.	Highest.....	103½	104½	106½	102½	96½	96½	100½	101½
	Lowest.....	104½	104½	103	100½	91½	91½	100½	99½
May	Highest.....	109½	109½	102½	10½	96½	96½	102½	100½
	Lowest.....	108	108	100½	101½	94½	94½	101½	100½
June....	Highest.....	110½	107	104½	103½	97½	96½	103½	100½
	Lowest.....	109½	105½	102	102½	96½	96½	102½	100½
July	Highest.....	110	109½	108½	106½	99	98½	104½	.....
	Lowest.....	106½	108½	104½	105	97½	98½	103	.....
August .	Highest.....	113½	112	118½	109	103½	98½	107½	.....
	Lowest.....	109½	10½	106½	105½	99	95½	104	.....
September.	Highest.....	111	112	112½	108½	99½	99	107½	.....
	Lowest.....	111	111	111½	108	97½	99½	105½	.....
October....	Highest.....	113½	113½	111½	106½	100½	100½	107	.....
	Lowest.....	111½	111½	111½	105½	99½	99½	106	.....

10 months..	January 2.....	104½	101½	105	102½	93½	93½	89½	9½
	Highest	113½	118½	115½	109	100½	100½	107½	14½
	Lowest	103½	103½	101½	101½	90	91½	82½	6½
	October	118	118	114	106	99	99	106	14½

The course of prices of American Securities at London, has been very even, as will appear from the following daily quotations :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON - OCTOBER, 1883.

Date.		Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie shs.	Date.		Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie shs.
Monday.....	1	89½	70½	77½	49½	Thursday *	18	89½	68½	73½	5½
Tuesday.....	2	89½	70½	77½	51½	Friday.....	19	89½	69	73½	5½
Wednesday.....	3	89½	70½	78	51½	Saturday.....	20	89½	69	73½	5½
Thursday.....	4	89½	70½	78	51	Sunday.....	21	.....	.....	.....	.....
Friday.....	5	89½	70½	78½	51½	Monday.....	22	89½	69	73½	5½
Saturday*	6	89½	70½	78½	51½	Tuesday.....	23	89½	68½	73½	5½
Sunday.....	7	.....	.....	.....	.....	Wednesday.....	24	89½	68½	73½	5½
Monday*	8	89½	70½	78	50½	Thursday.....	25	89½	68½	73½	5½
Tuesday*	9	89½	71	78½	49	Friday.....	26	89½	68½	73½	5½
Wednesday*	10	89½	71½	78½	48½	Saturday.....	27	89½	68½	73½	5½
Thursday*	11	89½	71½	78½	48	Sunday.....	28	.....	.....	.....	.....
Friday.....	12	89½	71½	78½	48½	Monday.....	29	89½	68½	73½	5½
Saturday.....	13	89½	70½	78½	49½	Tuesday.....	30	89½	68½	73½	5½
Sunday.....	14	.....	.....	.....	.....	Wednesday.....	31	89½	69	73½	5½
Monday.....	15	89½	70½	78½	49½	Highest.....	.....	89½	71½	75½	5½
Tuesday.....	16	89½	68½	78½	49	Lowest.....	.....	89½	68½	71	5
Wednesday.....	17	89½	68½	78½	50½						

Foreign Exchanges have fluctuated widely during the month, sterling 60 day bills having ranged between 106½ and 109½. In the early part of the month the supply of bills was augmented by shipments of Five twenty bonds; subsequently, however, the supply of produce bills and of Southern cotton bills combined was within the limits of an ordinary demand, and the rates steadily advanced; but less from actual purchases than from the expectation of a large demand for bills for remittances against November coupons. The ease of money in London, and the comparative facility with which our capitalists can at present command credit there, has, no doubt, induced importers to postpone remittances for their Fall purchases to an important extent, in expectation of a decline in the premium on gold after the payment of the November coupons, and these deferred obligations are quite likely to keep the rates of exchange high for some time to come. The daily quotation for exchange has been as follows :

COURSE OF FOREIGN EXCHANGE FOR OCTOBER.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cent for 100 M.
1 ..	108½ @ 109½	521½ @ 518½	40½ @ 40½	78½ @ 79	35½ @ 36½	70½ @ 70½
2 ..	107½ @ 108½	525 @ 521½	40 @ 41½	78½ @ 78½	35½ @ 36	70½ @ 70½
3 ..	107½ @ 108½	522 @ 521½	40 @ 40½	78½ @ 78½	35½ @ 36	70½ @ 70½
4 ..	107½ @ 108	525 @ 521½	40 @ 40½	78 @ 78½	35½ @ 36	70½ @ 70½
5 ..	107½ @ 108	525 @ 521½	40 @ 40½	78 @ 78½	35½ @ 36	70½ @ 70½
6 ..	107½ @ 107½	525 @ 521½	40 @ 40½	77½ @ 78	35½ @ 36½	71 @ 70½
7 ..	.....	.....	.....	.....	.....	.....
8 ..	108½ @ 107½	535 @ 525	40 @ 40½	77 @ 78	35 @ 35½	70 @ 70½
9 ..	106½ @ 107½	532½ @ 525	39½ @ 40½	76½ @ 77½	35½ @ 36½	70½ @ 70½
10 ..	106½ @ 107	532½ @ 525	39½ @ 40½	76½ @ 77½	35½ @ 36½	70½ @ 70½
11 ..	106½ @ 107	535 @ 527½	39½ @ 40½	76½ @ 77½	35 @ 35½	70½ @ 70½
12 ..	106½ @ 107½	530 @ 525	39½ @ 40½	76½ @ 77	35 @ 36½	70½ @ 70½
13 ..	106½ @ 107½	530 @ 525	39½ @ 40½	76½ @ 77	35 @ 36½	70½ @ 70½
14 ..	.....	.....	.....	.....	.....	.....
15 ..	107½ @ 107½	526½ @ 523½	39½ @ 40	77 @ 78	35½ @ 35½	71 @ 70½
16 ..	108 @ 108½	525 @ 523½	39½ @ 40½	77½ @ 78½	35½ @ 36	71 @ 70½
17 ..	108 @ 108½	525 @ 523½	39½ @ 40½	77½ @ 78½	35½ @ 36	71 @ 70½
18 ..	108½ @ 108½	523½ @ 520	40 @ 41	78 @ 79	35½ @ 36½	71 @ 70½
19 ..	108½ @ 108½	522½ @ 520	40½ @ 41½	78 @ 78½	35½ @ 36½	71½ @ 70½
20 ..	108½ @ 108½	521½ @ 518½	40½ @ 41½	78½ @ 79	35½ @ 36½	71½ @ 70½

* Our London correspondent's statement. No report.

21..	.....	.....	.....	.....	.....	.....
22..	.....108½@109½	521½@517½	40½@41½	78½@79½	85½@86½	72 @72½
23..	.....109 @109½	520 @516½	40½@41	78½@79½	86 @86½	72 @72½
24..	.....109 @109½	520 @516½	40½@41	78½@79½	86 @86½	72 @72½
25..	.....109 @109½	520 @515	40½@41½	78½@79½	86½@86½	72½@72½
26..	.....109½@109½	518½@515	40½@41½	79 @79½	86½@86½	72½@72½
27..	.....109½@109½	517½@513½	40½@41½	79 @79½	86½@86½	72 @73
28..	.....	.....	.....	.....	.....	.....
29..	.....109½@109½	516½@513½	40½@41½	79½@79½	86½@87	72 @73½
30..	.....109½@109½	517½@513½	40½@41½	79 @79½	86½@87	72 @73
31..	.....109½@109½	517½@513½	41 @41½	79 @79½	86½@87	72 @73
Oct.	.....106½@109½	535 @513½	39½@41½	76½@79½	85 @87	70 @72½
Sep.	.....105½@108½	545 @518½	39 @41½	75½@78½	85 @86½	68 @72
Aug.	.....105½@108½	545 @517½	39 @41	75 @79	84½@87	68 @73
July	.....107½@109½	525 @507½	40 @42	77 @79	86 @87½	72 @75½
June	.....107½@110	205 @507½	40 @42½	77 @80½	85½@87½	73 @75
May	.....108½@109½	520 @510	40½@42½	78½@80	86 @87½	71 @74
Apr.	.....106½@108½	537½@517½	39½@41	70½@78½	85 @86½	69½@71½
Mar.	.....106½@108½	530@ 518½	40 @41	77 @78½	85½@86½	70½@71½
Feb.	.....107½@108½	532½@517½	40½@41	77 @79	85½@86½	70½@71½
Jan.	.....108 @109½	528½@515	40½@41	78 @79½	86 @86½	71 @71½
10 m	.....105½@110	545 @507½	39 @42½	75 @80½	84½@87½	68 @75½

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Speculation—Money Market—New York, Boston, and Philadelphia Bank returns—National Banks.

The course of monetary affairs has not varied materially during the month. Owing to the activity of stock speculation, there has been a very large demand for call loans, under which the rate of interest has been somewhat firmer ; there is, however, still the same plethora of idle funds which has prevailed for some time, and the condition of the market is one of extreme ease. During the month, the condition of the Western banks was such as to allow them to keep considerable deposits in the banks of this city, where their funds draw interest, and the same rule applies to other sections. The general quiet of business throughout the country naturally causes money to rest in the banks of the respective localities ; and the banks, in turn, allow their balances with their New York agents to accumulate, the allowance of interest by our banks having a special tendency to encourage such accumulations.

Nor is it to be overlooked that the stagnation of trade in England, consequent upon the panic, and the severe commercial reaction on the Continent, following the late war, have a similar tendency to produce an accumulation here. The banks there have large amounts of idle capital, which they are willing should be made available for American importers—the firmness with which we withstood the effects of the London panic having doubtless fostered this disposition—and as the late high premium on gold has been unfavorable to remittances abroad, this disposition to extend credits to our merchants has no doubt resulted in the deferring of payments for an important proportion of our fall importations. Such a movement naturally results in the importers having large deposits in the banks. This is probably a much more important element in the prevailing plethora of capital than is generally supposed. At the same time, this consideration indicates that, when the importers pay off this back indebtedness, we may anticipate a permanent reaction from the prevailing extreme ease in money ; and

the same remark applies to the Western demand for currency for moving the hog crop, a movement which is just at hand.

Below we give the returns for the month of the Banks of New York, Boston, and Philadelphia. It will be seen that the legal tenders held by the New York banks, have decreased about ten millions, and the loans about four millions, while the other items remain about the same.

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tenders.	Ag. depts.
Jan. 6, 1866...	\$238,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$50,672,222
" 13.....	234,933,193	16,852,568	19,162,917	197,766,999	73,019,957	50,122,177
" 20.....	239,837,726	15,265,327	20,475,707	198,816,248	72,799,892	52,849,271
" 27.....	240,407,836	18,106,759	20,965,883	195,012,454	70,319,146	51,622,673
Feb. 8.....	242,510,882	10,937,474	21,494,234	191,011,695	68,796,250	50,585,728
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,436,013	49,321,672
" 17.....	243,068,252	10,308,758	22,983,274	189,777,290	64,802,980	47,846,271
" 24.....	239,776,200	14,213,351	22,959,918	183,341,404	61,602,726	49,156,271
Mar. 8.....	235,889,412	17,181,180	22,994,086	181,444,378	58,760,145	52,528,279
" 10.....	233,068,274	16,563,237	23,033,237	180,515,881	64,341,809	54,344,473
" 17.....	233,517,378	15,015,242	23,303,057	185,438,707	68,402,764	57,216,779
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	59,348,244
" 31.....	237,816,099	11,980,393	23,736,534	188,554,593	72,158,099	59,220,749
Apr. 7.....	242,643,753	11,486,295	24,127,061	189,094,961	71,445,075	60,222,728
" 14.....	244,019,839	11,035,129	24,533,981	193,153,469	73,910,370	57,357,172
" 21.....	242,067,063	9,495,463	24,045,857	196,808,573	77,612,638	55,594,775
" 28.....	245,017,692	8,243,937	25,377,280	202,718,574	80,589,029	54,372,474
May 5.....	253,974,184	10,914,997	25,415,677	210,373,303	81,244,447	60,522,177
" 12.....	257,621,317	13,970,402	24,693,259	217,552,853	85,040,659	53,056,523
" 19.....	255,690,463	13,595,465	25,159,864	217,427,729	85,710,107	57,325,273
" 26.....	257,969,593	19,736,929	26,223,867	208,977,905	73,829,947	71,523,441
June 2.....	250,959,022	21,858,093	26,244,255	198,121,289	69,188,192	71,572,441
" 9.....	249,533,959	15,821,663	25,967,253	202,503,949	74,623,674	65,456,231
" 16.....	247,301,547	11,217,305	25,887,876	202,415,673	79,179,304	61,328,271
" 23.....	248,436,808	8,504,096	26,585,394	201,969,288	80,940,578	69,447,479
" 30.....	250,884,168	7,797,213	26,706,622	204,357,273	81,882,640	56,541,681
July 7.....	257,534,833	9,865,266	27,296,530	205,799,611	79,541,686	51,122,734
" 14.....	259,133,434	12,451,684	27,204,172	207,160,043	75,541,977	67,623,775
" 21.....	255,965,018	10,860,147	27,579,020	213,049,079	80,524,922	59,756,729
" 28.....	256,612,071	9,701,046	27,249,812	214,582,926	84,705,814	43,324,971
Aug. 4.....	256,808,177	9,448,900	27,311,549	214,156,705	86,235,079	52,214,471
" 11.....	258,263,063	8,424,209	27,523,522	214,222,263	86,861,834	49,828,775
" 18.....	261,951,924	7,545,513	27,796,904	214,310,576	84,801,071	54,653,346
" 25.....	265,901,065	6,884,077	27,958,464	218,119,450	86,283,483	67,752,272
Sept. 1.....	265,399,607	6,381,600	27,807,834	225,191,282	92,22,808	56,564,254
" 8.....	26,941,668	745,910	28,506,268	225,107,991	90,194,254	59,161,328
" 15.....	270,806,04	7,357,369	29,360,371	24,844,647	90,772,222	57,220,271
" 22.....	272,177,166	7,662,611	28,770,331	224,394,663	90,428,189	60,520,675
" 29.....	269,807,383	7,643,960	29,218,950	223,336,785	87,836,21	.....
Oct. 6.....	274,210,161	6,203,693	29,701,358	223,484,730	55,339,679	52,091,777
" 13.....	274,443,219	5,576,002	31,176,903	226,518,897	53,119,423	77,339,771
" 20.....	279,135,796	7,371,487	30,415,240	225,083,853	73,635,469	62,721,777
" 27.....	274,725,456	7,81,239	30,213,437	223,540,572	78,064,925	72,264,961

The Philadelphia Banks returns for the month are as follows:

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,369	\$35,322,16
" 8.....	17,236,320	46,774,150	983,665	7,312,528	36,613,34
" 15.....	17,267,412	47,350,423	1,007,188	7,357,973	36,967,20
" 22.....	17,052,559	47,254,622	1,012,960	7,411,397	36,214,62
" 29.....	16,244,277	47,607,558	1,003,825	7,432,534	35,461,67
Feb. 8.....	16,481,005	47,233,661	1,000,689	7,668,265	34,621,75
" 10.....	16,852,737	47,249,383	996,312	7,819,599	34,444,73
" 17.....	16,777,175	46,981,337	953,207	7,843,003	35,923,52
" 24.....	17,282,602	46,865,512	1,026,406	7,732,070	31,052,23
Mar. 3.....	17,447,635	46,604,752	1,041,393	8,171,049	22,135,14
" 10.....	17,292,534	46,546,878	1,055,694	8,243,100	22,564,75
" 17.....	16,375,608	46,690,788	1,026,068	8,436,134	22,122,67
" 24.....	15,969,814	46,642,150	981,933	8,580,300	22,144,27
" 31.....	15,954,832	46,043,488	990,630	8,666,230	21,271,61
April 7.....	16,622,233	46,028,641	946,282	8,730,370	21,722,20
" 14.....	18,323,759	45,114,699	949,116	8,743,296	31,691,61
" 21.....	18,660,513	45,762,733	986,876	8,761,213	35,465,75
" 28.....	18,949,719	46,832,734	890,341	8,779,188	35,462,75
May 5.....	19,144,660	48,006,654	912,023	8,794,263	35,357,07
" 12.....	19,646,263	48,236,256	896,741	8,930,400	35,414,39
" 19.....	19,648,232	48,336,567	897,913	8,912,393	35,366,60
" 26.....	19,715,093	43,036,934	867,694	8,922,249	37,071,61
June 2.....	21,154,909	47,564,996	890,191	9,000,000	35,000,00
" 9.....	21,568,085	48,118,897	858,633	9,007,255	35,251,18

..	16	.....	20,568,591	49,616,145	897,381	9,219,553	36,972,476
..	23	.....	21,105,316	48,164,814	899,999	9,290,094	36,715,808
..	30	.....	21,455,886	48,266,904	863,454	9,895,475	37,242,979
July	7	.....	20,546,695	48,892,594	864,981	9,481,664	38,275,788
..	14	.....	21,311,669	49,498,405	852,783	9,442,146	37,707,667
..	21	.....	21,312,705	49,009,316	849,770	9,427,363	37,575,560
..	28	.....	20,942,374	48,983,067	826,096	9,382,473	37,270,845
Aug.	4	.....	20,393,826	49,682,529	825,978	9,516,724	37,244,084
..	11	.....	20,060,536	49,164,321	835,158	9,543,472	36,639,226
..	18	.....	19,863,685	48,530,454	811,230	9,566,783	36,942,311
..	25	.....	20,412,323	48,591,763	807,071	9,575,534	36,025,289
Sept.	1	.....	24,040,254	50,095,890	807,815	9,589,574	41,162,627
..	8	.....	24,134,918	50,320,068	826,345	9,603,410	41,604,903
..	15	.....	24,528,358	49,889,015	802,922	9,605,817	41,093,120
..	22	.....	24,906,925	50,787,371	793,395	9,601,273	42,836,971
..	29	.....	24,073,963	51,37,567	783,024	9,593,497	43,643,875
Oct.	6	.....	24,11,480	51,242,282	769,272	9,631,663	43,800,423
..	13	.....	23,877,078	51,316,490	770,676	9,639,176	43,152,028
..	20	.....	23,631,180	51,474,948	791,18	9,631,498	43,345,800
..	27	.....	24,140,637	50,973,584	799,652	9,648,655	43,953,737

The footings of the weekly statement of the Boston Banks in some respects show a stronger condition than previous statement, loans having decreased and deposits largely increased. The private deposits now reach \$44,694.164, which is the largest amount reported during the present year.

BOSTON BANK RETURNS.

(Capital Jan. 1, 1866, \$41,900,000.)

		Loans.	Specie.	Legal Tenders.	Deposits.	Circulation—	
						National.	State.
January	1.....	\$91,421,477	\$801,415	\$19,307,300	\$38,451,794	\$21,497,854	\$1,404,721
..	8.....	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,323,793
..	15.....	92,939,864	1,029,105	20,438,014	40,939,870	21,946,595	1,273,948
..	22.....	92,665,111	1,040,114	20,750,698	40,300,649	22,034,643	1,215,675
..	29.....	92,877,783	1,008,013	20,544,830	39,153,816	21,849,818	1,157,848
February	5.....	94,578,358	805,237	20,568,185	40,436,163	22,325,478	1,125,728
..	12.....	94,083,827	682,591	20,412,569	33,768,019	22,348,638	1,057,323
..	19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,033,391
..	26.....	93,539,000	521,292	20,262,177	36,398,481	22,887,971	1,048,022
March	5.....	92,990,512	556,856	20,034,968	35,581,876	22,606,835	1,006,719
..	12.....	90,705,159	623,938	19,905,120	35,297,498	22,730,329	721,809
..	19.....	91,902,811	606,992	20,470,018	36,696,321	24,018,916	910,740
..	26.....	91,931,236	513,153	20,913,521	35,887,368	23,019,887	901,620
April	3.....	92,351,979	532,556	20,761,014	36,697,227	23,067,693	869,329
..	9.....	92,142,975	487,455	20,334,570	37,426,560	23,266,612	830,069
..	16.....	91,250,882	457,648	19,902,647	37,606,696	23,635,043	777,196
..	23.....	86,120,697	411,693	19,309,145	36,946,152	22,469,489	744,041
..	30.....	86,723,001	401,113	19,549,614	38,396,210	22,856,456	744,425
May	7.....	90,869,569	576,170	21,415,716	41,205,276	23,516,330	719,688
..	14.....	90,328,554	501,013	22,462,522	42,021,976	23,551,579	695,537
..	21.....	89,634,864	472,172	22,973,509	41,61,149	23,195,968	661,519
..	28.....	91,833,403	436,391	23,658,956	41,631,746	23,722,277	644,653
June	4.....	92,287,644	503,991	26,148,678	42,992,749	23,679,045	609,371
..	11.....	89,878,993	374,966	25,470,926	42,858,966	22,916,559	480,599
..	18*.....	87,566,533	371,596	24,426,749	41,992,820	21,845,977	544,941
..	25.....	94,326,170	323,335	25,019,436	42,687,020	23,633,008	507,371
July	16.....	96,047,000	453,600	21,610,000	40,447,000	24,145,000	418,000
..	23.....	95,993,866	441,689	22,786,738	40,935,863	24,057,765	401,544
..	30†.....	95,002,698	363,776	22,242,659	39,770,363	23,804,526	355,864
August	6.....	96,672,749	318,779	22,492,317	40,549,379	24,116,795	380,980
..	13.....	95,771,749	295,241	21,101,481	39,192,620	24,104,457	292,784
..	20.....	94,915,075	333,670	20,817,159	38,619,847	24,290,816	368,169
..	27.....	94,819,253	322,083	21,688,693	39,026,518	24,262,317	363,403
Sept.	3.....	95,387,808	264,863	22,071,251	39,356,550	24,240,925	344,773
..	10.....	94,873,709	314,204	21,580,730	39,149,497	24,295,875	356,075
..	17.....	94,788,268	328,830	20,303,416	38,357,206	24,345,328	351,401
..	24.....	93,825,673	316,771	20,977,954	40,014,189	24,344,545	336,465
Oct.	1.....	93,676,838	277,706	21,037,890	42,096,214	24,238,047	343,408
..	8.....	94,708,912	250,638	20,612,689	43,096,520	24,329,124	340,977
..	15.....	95,039,345	240,417	19,801,619	43,830,226	24,337,551	337,656
..	22.....	93,464,225	219,393	19,100,205	44,303,573	24,459,495	334,172
..	29.....	95,881,835	250,716	19,654,886	44,694,104	24,443,519	332,453

* No returns from National Bank of Redemption. † No returns from the Traders' Bank.

No new National banks were organized during the month, but the circulation has been increased, until now, it amounts to \$294,636,689. The following comparison shows the progress of the National Banks since May 5, in respect to number, capital, and circulation.

Date.	B'ks.	Capital.	Circulation.	Date.	B'ks.	Capital.	Circulation.
May 5.....	1,650	\$.....	\$271,262,165	Aug. 4.....	1,656	\$.....	\$271,262,165
May 12.....	1,650	.....	272,878,895	Aug. 11.....	1,656	.....	272,878,895
May 19.....	1,650	.....	274,653,195	Aug. 18.....	1,656	.....	274,653,195
May 26.....	1,650	414,921,479	276,540,510	Aug. 25.....	1,658	.....	276,540,510
June 2.....	1,650	.....	277,379,640	Sept. 1.....	1,658	.....	277,379,640
June 9.....	1,650	.....	278,905,675	Sept. 8.....	1,659	.....	278,905,675
June 16.....	1,653	.....	280,263,890	Sept. 15.....	1,659	.....	280,263,890
June 23.....	1,653	.....	281,234,460	Sept. 22.....	1,659	.....	281,234,460
June 30.....	1,653	.....	282,555,440	Sept. 29.....	1,659	.....	282,555,440
July 7.....	1,653	.....	283,627,606	Oct. 13.....	1,659	.....	283,627,606
July 14.....	1,654	.....	284,101,675	Oct. 20.....	1,659	.....	284,101,675
July 21.....	1,655	.....	.....	Oct. 27.....	1,659	.....	284,101,675

The following is a synopsis of the quarterly reports of the National Bank of the United States, 1866 :

LIABILITIES.			RESOURCES.		
	July 1, 1866.	Oct. 1, 1866.			
Capital paid in.	\$414,170,493	\$415,278,969	Loans and discounts.	\$548,216,306	\$548,216,306
Notes in circulation	267,778,678	280,129,558	Due from banks.....	110,674,660	110,674,660
Old circulation as			R. estate, furniture, &c	16,725,533	17,122,777
State banks.....	19,996,163	9,819,719	Specie and legal tend.	214,035,870	214,035,870
Profit and loss.....	79,437,251	85,942,606	Cash items.....	96,077,134	102,500,000
Due banks and bank'rs	122,448,455	137,411,762	United States bonds,		
Due Treasury of Uni-			7-30 notes, &c.....	447,536,300	447,536,300
ted States.....	39,105,077	33,400,776	Bills of banks.....	17,891,722	17,891,722
Due depositors.....	533,290,265	553,510,570	Expense account.....	3,030,440	3,030,440
Miscellaneous.....	40,495	.....	Overdrafts.....	2,111,228	2,111,228
			Miscellaneous.....	19,964,774	24,000,000
Total liabilities...	\$1,476,266,877	1,525,493,960	Total resources....	\$1,476,266,877	1,525,493,960

The volume of National Bank circulation has increased in three months nearly thirteen millions ; while the old issues as State banks have diminished ten millions. The loans are fifty-three millions more than in July last ; and the principal deposits thirty millions.

GEORGIA STATE BONDS.

The following order of the Governor of Georgia, and notice of the Treasurer in reference to the Georgia State Bonds, are just issued under the act passed in March last by the General Assembly :

EXECUTIVE DEPARTMENT, MILLEDGEVILLE, Ga., Oct. 13, 1866.

In conformity with an act of the General Assembly, approved 12th of March, 1866 numbered 10, it is ordered :

1. That all bonds and coupons of the State of Georgia now due, and which were not issued in aid of the late war, wheresoever made payable, may be funded on presentation at the Treasury of the State, in mortgage bonds of the State, bearing seven per cent. interest from the 1st of July, 1866, that being the day of their date.
2. That all coupons payable in New York or in London, now due, and embraced in the descriptive list furnished the Agency by the Treasurer, may be funded in bonds described above, on presentation at the National Bank of the Republic, New York.
3. That all coupons funded in New York be marked paid, and returned to the Treasury, with a descriptive list of bonds issued in funding them.
4. That the Treasurer endorse, or cause to be endorsed, on each bond funded, the name of the person presenting it, and that a registry of all bonds issued in the funding process be kept in the Treasurer's office.
5. No interest is allowed on bonds or coupons after maturity.

CHARLES J. JENKINS, Governor.

TREASURY OF GEORGIA, MILLEDGEVILLE, Oct. 13, 1866.

Holders of over-due bonds and coupons of the State of Georgia are hereby notified that, in accordance with the above order, they can receive for them, on presentation at this Department, new bonds of the State, dated 1st of July, 1866, due twenty years after date, bearing interest at seven per cent. per annum, payable semi-annually in January and July, and secured by mortgage on the Western and Atlantic Railroad.

The bonds being in sizes of \$500 and \$1,000, holders must present their bonds and coupons in multiples of these sums, or make up their deficiency in currency.

No provision for payment of interest after maturity of bonds or coupons having been made by the legislature, it cannot, of course, be allowed at this Department.

Persons sending bonds in under the above order are requested to write their names legibly on the margin, to guard against mistakes in their entry on the records, as ordered above.

JNO. JONES, Treasurer.

THE NEXT WORLD-G RDLE.

PROGRESS OF THE RUSSO-AMERICAN TELEGRAPH.

The San Francisco *Bulletin* of Oct. 17 gives the following details concerning the progress of the Russo-American Telegraph enterprise: The Western Union Telegraph Company's bark Clara Bell has arrived from Ulujiga Bay, at the head of the Ochotsk Sea. Her outward voyage was performed by way of Petropolov-ski, where she found orders to proceed to Ghijiga, which had been selected as the base of operations on the coast of the Ochotsk Sea. The Company's steamer George S. Wright, carrying Col. Bulkley, the Engineer-in-Chief, arrived at Petropolov-ski on the 24th of July, and sailed on the 6th of August for Anadyr Bay and Norton Sound. The Russian corvette Variag, seventeen guns, which had been assigned to the service of the Telegraph Company, was at Petropolovski on the arrival of the Wright, and her captain reported at once to Col. Bulkley for orders.

The Variag sailed on the 6th of August for the mouth of the Amoor by way of Ghijiga and Ochoisk, having on board Count P. Anossoff, Russian Commissioner to the Telegraph Company, and Thomas W. Knox, American journalist with the expedition, who proceeds overland from Nikolaeffsk to St. Petersburg. The Variag reached Ghijiga on the 15th of August, and sailed four days later for Ochoisk.

Major S. Abasa, Chief of the Asiatic Division of the Russo-American Telegraph, has established his headquarters at Ghijiga. During the past winter he explored in person the route between Ghijiga and Ochotsk, and determined the position of the lines for that distance. Capt. Mahood explored the route from the mouth of the Amoor to Ochotsk, and joined Major Abasa at the latter point. At the same time Capt. Kannon made a survey from Ghijiga to the Anadyr Bay, and located the route of the telegraph. Thus the whole distance from Behring Sea to the terminus of the line at the mouth of the Amoor has been explored and the route selected.

In the region around Ghijiga working parties are busy in the preliminary work and will have a considerable quantity of poles ready by the end of Summer. From Ghijiga and the mouth of the Amoor the line mostly follows the valleys behind the coast range of mountains, but in some places follows the shores of the Ochotsk Sea. Timber is abundant on the most of the route, except in some places where mountain ranges are crossed and in the region immediately around Ghijiga, where poles must be cut on the Ghijiga River and rafted as near as possible to the places where they will be used. Along the whole route, wherever laborers could be procured, they have been engaged in the work begun.

The Government officials have been prompt in affording every assistance to Major Abasa and his subordinates, without waiting directions from St. Petersburg. Count Anossoff has issued orders to all the officials to render any desired service that may assist the completion of the line. As soon as the necessary material is received and distributed, the work will be pushed with great rapidity.

TRANSPORTATION OF COTTON.

The Treasury Department has just issued additional regulations concerning the transportation of cotton in bond, to the following effect:

It having been represented that much hardship and inconvenience are entailed upon the smaller planters and farmers in the interior counties of the cotton producing districts, or in consequence of the enforcement of recent regulations concerning the removal of cotton in bond, and that additional and much needed facilities would be offered by allowing bonds for securing payment of the tax upon delivery of the cotton at the point of destination to be taken by the collector of the receiving district, instead of the collector of the district whence the cotton is shipped, as provided by regulations, series 2, No. 5, issued from this office under date of July 31, 1866. The following additional regulations upon the subject have been adopted for securing the payment of the tax, and as affording the measure of relief sought for:

Parties desirous of bringing cotton to seaports or other places for shipment from other districts, will be allowed to do so upon executing and delivering to the collector of the district where such seaport or place is situated, a bond with two or more

sufficient sureties approved by the collector receiving it conditioned for the payment of the tax upon all cotton for which permits may be granted by the assessor of the district in which such cotton may be grown. This bond must be executed in a penal sum equal to double the amount of the tax on the quantity of cotton intended to be removed and *in transitu* at any one time during its continuance, and assessors will be careful not to grant further permits upon any bond when the tax upon the quantity already permitted amounts to one-half of the sum named therein, until certificate of payment of the tax on the whole or a portion of the cotton transported under former permits are received from the receiving collector, when additional permits may be granted; but in no case must the tax upon the quantity under permit and assessed for exceed one-half of the penal sum of the bond. Thus, if the bond is given in a sum securing the tax upon 500 bales of 400 pounds each. When this limit is reached no further permit should be granted except upon the receipt of delivery and payment as hereinafter provided. Immediately upon the execution of this bond, the collector to whom it is delivered will transmit it, retaining a copy thereof in his office, to the assessor of the district whence it is intended to remove the cotton, who will then be authorized to grant permits for the removal of the cotton upon application being made by the principal or his agent. Upon receiving this application the assessor will grant permits. The circular concludes with instructions to the assessor and collector and it is stated that if the cotton has not been weighed before removal by a duly appointed weigher, the amount of tax named in the permit will be based upon the weight, as certified by the owner or the proprietor of the gin house. In order to arrive at the true amount of tax to be paid on the cotton removed under these conditions, it must be marked upon its arrival in the receiving district by the officer appointed for that purpose, to whom a fee of 25 cents per bale will be paid for the service, and upon whose certificate of the weight the tax shall be collected. These regulations are to be considered additional to, and as not superceding those contained in series 2. No. 5, or the additional regulations published under date of Sept. 25 1866.

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The following advertisements appear in our advertising pages this month:

MERCANTILE.

- Marshall's Portrait of Abm. Lincoln—Ticknor & Fields.
- L. Prang & Co.—Boston and New York—Holiday Publications, etc.
- Howard & Co.—619 Broadway—Diamonds, Watches, Holiday Gifts, etc.
- Mercantile Library—Clinton Hall, Astor Place and Eighth St.
- Ferdinand Korn—191 Fulton St.—Eau de Cologne.
- Lewis Audendried & Co.—110 Broadway—Anthracite and Bituminous Coal.
- Grover & Baker—495 Broadway—Sewing Machines.
- A. B. Sands & Co.—139-141 William St.—Drugs
- Wm. Duryea, agent—163 Fulton St.—Maizena.
- J. W. Bradley—97 Chambers St.—Hoop Skirts.
- Chickering & Sons—632 Broadway—Pianos.

BANKERS & BROKERS.

- Barstow, Eddy & Co.—26 Broad St.
- Lockwood & Co.—94 Broadway.
- Vermilye & Co.—44 Wall St.

- Eugene Kelly & Co.—36 Wall St.
- DeWitt, Kittle & Co.—83 Wall St.
- Wells, Fargo & Co.—84 Broadway.
- Simon De Visser—52 Exchange Place.
- Duncan, Sherman & Co.—Cor Pine & Nassau.
- L. P. Morton & Co.—35 Wall Street.
- J. J. Cisco & Son—33 Wall St.
- Robinson & Ogden—4 Broad St.
- Howe & Macy—30 Wall St.
- Gilmore, Dunlap & Co.—Cincinnati.
- Lewis Johnson & Co., Washington.
- Ninth National Bank—363 Broadway.

INSURANCE.

- Marine—Atlantic Mutual Ins. Co.—11 Wall St.
- Mercantile Mut. Ins. Co.—15 Wall St.
- Orient Mutual Ins. Co.
- Sun Mutual Ins. Co.—49 Wall St.
- Great Western Insurance Co.
- Fire—Hope Fire Ins. Co.—92 Broadway.
- Morris Fire and Marine Ins. Co.—111 Nassau.
- Germania Fire Ins. Co.—173 Broadway.
- Aetna Insurance Co.—Hartford.
- U. S. Life Insurance Co.—40 Wall St.

THE MERCHANTS' MAGAZINE

AND COMMERCIAL REVIEW.

DECEMBER, 1866.

THE COTTON TAX AND THE INDUSTRIES OF THE NORTH.

We are persuaded that the effect of the cotton tax on Northern interests has not been sufficiently considered. It is customary to look at this impost as one merely of revenue, shutting out from view entirely its influence upon our own industries. The argument sustaining it has always been based on the idea that the tax was not paid by the North, nor even by the South, but that it was collected in great part out of the European consumer. There are, however, weighty reasons, at present apparently lost sight of, why the North should question the expediency of this tax, and demand that the policy or impolicy of it be brought under the immediate and earnest consideration of Congress.

It must be clear, we think, by this time that the Liverpool manufacturer cannot be compelled to pay the tax. Before the war we had a monopoly; our cotton drove out all competition. No country could produce the staple in sufficient quantities, as good or as cheap as we could. A tax of three cents then, would have been easily collected. The planter could have added it to his price without materially affecting the production in other countries. A four years cotton famine has, however, worked a very decided change. Now, instead of monopolizing the trade, we have many competitors. Even the India staple, which was supposed to be incurably defective, has been improved, and English machinery has been far better adapted for working it, the war having developed methods of using India cotton not before known. Then, again,

there are several countries, as is well known, sending supplies to market which command as high, and some of them higher prices than our own uplands.

The effect of all this is seen in the present state of the Liverpool market. With a crop in the United States of only about two million bales (and many estimate it much below that figure), the Liverpool price is about 14d., with a downward tendency. In fact, many good judges believe that it will decline to 10d. or 11d. at least, before the winter has passed, so nearly independent of us have foreign markets become. Another year we shall have less control of the price. Many countries which are, from various causes, furnishing decreased supplies now, promise larger returns another twelve months, the present tax offering a premium on production elsewhere. That this is the effect of the law, so far as the foreign purchaser is concerned, is easily seen. Assuming the planter to put the tax upon the price of his cotton, it results that the quotation for American cotton at Liverpool is increased 1½d. per pound. That advance necessitates a substitution of the staple of other countries for American, which again puts up the price of these descriptions, and directly stimulates the production of cotton in such countries, consolidating the cotton interest there, and promoting a permanent extension of the foreign crop. The consequent increase of supply from those sources reacts upon the value of our own crop; and this natural process of adjustment deprives the planter of the ability to collect his tax from foreign buyers. The result, therefore, is to place the American grower at a disadvantage of three cents per pound in competing with the grower of other countries. This, if long continued, will be sufficient to foster production elsewhere to such an extent as to force down prices to about their old level, when the planter, being no longer able to grow cotton at a profit, will abandon that for some other branch of agriculture. It would thus appear that we have no power to compel foreigners to pay this tax. The result of it must be to transfer our cotton trade to other countries, and to place Great Britain in that position of independence of the American cotton supply which she has now nearly attained, and which, for political reasons, she has long sought.

It is hardly necessary for us to say that the maintenance of the cotton trade is vital to the future prosperity of the United States. The South is by no means the only interested party—nor, as we think, is she chiefly interested. The prosperity of this trade means the prosperity of the whole Union; its recuperation means the recuperation of the whole industry of the country. Who can estimate the advantage we received from the two and a half million bales brought to market since the war closed? Do we not all know that it bridged difficulties which to many minds appeared impassable? Our exports of cotton during the year ending Sept. 1, 1866, were 1,552,457 bales, and we received in gold for these exports over 230 million of dollars. To how great an extent are we in the North indebted to these very exports for the decided prosperity enjoyed and our own quick recuperation since the war closed? Is it not, then, a question that we should seriously consider, whether it is wise to cripple an industry like this?

The cotton tax, moreover, has a directly injurious bearing upon our cotton manufacturers. With them a cheap supply of the raw material is

of vital importance to enable them to compete with other countries. Either reducing the production or increasing the relative price of the American staple by taxation, must check the growth of the manufacturing interest. In fact, practically we are shut up to the consumption of the American cotton. Our machinery is not adapted for the use of the short staple of other countries; and, if it were, there would be the necessity of adding to the price paid at Liverpool the cost of transporting the India staple here. Our manufacturers are thus placed at a disadvantage as compared with those of Lancashire, who have a variety of staples to which they can resort rather than pay the tax. By mixing a certain proportion of Eastern cotton with American, they can set off the extra price of our cotton arising out of the tax, and yet on many heavy goods, and on dyed goods, especially, produce an article as marketable as though made wholly from Southern cotton. Thus the tendency of the tax is to divert cotton manufacturing from New England to Lancashire, and to give English cotton goods the ascendancy over American, not only in foreign countries, but in our own market. It is true the revenue law allows upon domestic cotton goods exported a drawback equivalent to three cents per pound upon the weight of cotton contained in them. But this advantage has thus far availed our manufacturers little, the entire export of cotton goods from this port and Boston from Jan. 1st to the beginning of November having been only 12,634 packages, against 110,772 packages for the corresponding period of 1860, showing that we have regained little of the trade in these manufactures with foreign countries, transferred to England during the war.

Then again it is evident that if we cripple the South, if this tax deprives the planter of a profit on his crop, he must purchase just so much less of our products. One portion of this country cannot suffer and the other be prospered. To what extent the present stagnation in business is due to this very cause, we do not undertake to say. But when we remember that on a crop of 2 million bales (of five hundred pounds each) 30 million of dollars is exacted, in addition to the income tax which we all pay, we see how heavy is the burden they are laboring under, and with the price falling how important they would find it to confine their purchases to the merest necessities of life. And it should be remembered too that this tax bears with peculiar hardship upon the freedmen—the laborer who produces the crop. In many cases he is the planter struggling to work his way up; in all other cases he is the employee, and must of necessity suffer in common with the employer.

Finally, such a diversion from cotton growing, as must inevitably follow from the permanence of this tax, would result in important embarrassment to our agricultural interest. The South would then be driven to the cultivation of breadstuffs upon her broad cotton lands; and as she would produce a large surplus of those commodities, she would become a competitor with the West for the foreign markets, resulting in a decline in the value of agricultural products throughout the country. It is thus, indeed, that heavy taxes upon special industries always work out derangement in production with consequent injury to trade at large.

For these, among many other reasons, it is much to be hoped that Congress will at an early day reconsider this question in a broad and national light, not merely with a view to remedying the present obstructive method of collecting the tax, but for the purpose of utterly and finally abolishing the impost.

LONDON STOCK EXCHANGE—HISTORICAL AND CRITICAL

William III., having by the establishment of the Bank of England, obtained great facilities for borrowing large sums of money, did not hesitate to incur enormous pecuniary obligations, which he transferred to the shoulders of his royal subjects, under the title of the national debt. The floating stock of the Bank would of itself have formed ample material for the employment of the resources and ingenuity of the speculator; but when we remember that the reign of King William, as well as Queen Anne, the sovereign who succeeded him, were periods distinguished not less for sanguinary and devastating wars than for reckless speculation, which was brought into existence, under the countenance and support of ministers of the crown and members of Parliament, not only such infamous swindles as the "South Sea scheme," and the "mine adventurers of England," but a legion of other bubble companies, it must be apparent that the field of operations was a most extended one. When public securities were floating upon the surface, offering temptations to the speculator, such as the race course or gambling table rarely presents to its votaries—when the South Sea stock was quoted at 1,000 per cent., including dividend, and India rose to 445, and bank stock ascended to 260; when as Mr. Anderson states in his "History of Commerce" the advance in every description of stock was computed at £500,000,000 sterling, or about double the value of the fee simple of all the real property of the nation, taking it at 20 years purchase; then the hour had arrived for the stock broker to enter the vineyard and reap his harvest. The fraternity of stock brokers appeared upon the commercial arena in 1695, and first congregated near the Bank of England to transact their gambling business; but in time the number became so numerous as to create inconvenience, and they were therefore obliged to remove from thence, and in 1700 they met to arrange their affairs in the locality now called "Change Alley." They were not respected or beloved by any class of their fellow countrymen, but rather regarded as wolves and sharks in human form, who sought to prey upon the rest of society, and overreach and fleece it.

Mr. Francis, a deservedly popular author, and one who is by no means unfriendly to stockbroking or stock brokers, has been compelled to give this description of the body at the period to which we refer:

"In 1701," he says, "the character of those we meet in Change Alley was not very enviable. It was said, and said truly, that they undermined, impoverished, and destroyed all with whom they came in contact. They can ruin men silently, says a writer of that period, with great vehemence undermine and impoverish them, fiddle them out of their money by the strange unheard of engines of entries, discount, transfers, tallies, debentures, shares, projects, and the devil-and-all of figures and hard names. Every thing which could inflate the hopes of the schemer was brought into operation by the brokers. If shares were dull, they jobbed in the funds, or tried exchequer bills; and if these failed, rather than remained idle, they dealt in bank notes at 40 per cent. discount. These new modes of gambling seized upon the nation with a violence which sober citizens could scarcely understand; their first impulse was to laugh at the stories currently circulated of fortunes lost and won; but when they saw men

who were yesterday threadbare, pass them to-day in their carriages; when they saw wealth, which it took their plodding industry years of patient labor to acquire, won by others in a few weeks—unable to resist the temptation, the greatest of city merchants deserted their regular vocations, and speculated in the newly produced stocks.”

It was this demoralizing state of society which gave Pope the original of his “City Merchant,” his Baalam, whose wild speculation brings him to the verge of ruin; and, endeavoring to escape from which, he takes a bribe from France, and terminates his dishonorable career upon the gallows.

The pious King William, of glorious memory, however, seems to have been singular, in regarding the stratagems of the stock broker, not only as nominal sins, but as in the highest degree praiseworthy and deserving of a royal reward, when he could derive advantage from them; and he did not deem it unbecoming to present the notorious Sir Henry Furnese, who served as Governor of the Bank of England, and who was famous upon the Stock Exchange, as the first fabricator of false news for the purpose of “cornering the market,” with a valuable diamond, for perpetrating a similar act to that for which, it has been acknowledged, the late Lord Dundonald, unjustly, was prosecuted, convicted, and sentenced to fine and imprisonment.

In 1720, the stock brokers had succeeded in getting into such bad repute, that public indignation was excited to the highest pitch against them, and stock jobbing was denounced as an intolerable nuisance, calculated to destroy the morals of the people. To mitigate so great a national evil Sir John Barnard in 1732, brought in his famous and much required bill to render “time bargains,” or what is termed “selling or purchasing for the account,” illegal. This act, through the influence of the principal parties connected with the Stock Exchange, has been repealed. But it cannot tend to increase the respect for the members of that institution, when it is known that they and their predecessors were in the habit of violating daily the provisions of this salutary law because they interfered with their gambling pursuits.

It is evident that the attempts made to improve the morals of stock brokers by means of severe penal statutes were only partially successful, as Dr. Johnson, in one of his popular essays, published in 1750, thus, in indignant terms, describes the numerous black sheep who still hovered near the precincts of “Change Alley.” “Among the brokers of stocks are men of great honor and probity, who are candid and open in all their transactions, and incapable of mean and selfish purposes; and it is to be lamented that a market of such importance as the state of the nation has made this, should be brought into any discredit by the intrusion of bad men, who instead of serving their country, and procuring an honest subsistence in the army or the fleet, endeavor to maintain luxurious tables and splendid equipages by sporting with the public credit. It is not long since the evil of stock jobbing was risen to such an enormous height as to threaten great injury to every actual proprietor, particularly many widows and orphans, who being bound to depend on the funds for their whole subsistence, could not possibly retreat from the approaching danger. But this evil, after many unsuccessful attempts of the legislature to conquer it, was like many others, subdued by its own violence; and the reputa-

ble stock brokers seem now to have it in their power effectually to prevent its return, by not suffering the most distant approaches of it to take footing in their own practice, and by opposing every effort made for its recovery by the desperate sons of fortune, who, not having the courage of highwaymen, they are less in danger of punishment by the loss either of liberty or life."

This truly is a sad picture which the great English moralist draws of the demoralization of a number of his countrymen who frequented Change Alley in his day, and engaged in the business of stockbroking. Dr. Johnson, who could occasionally, when it suited his purpose, cast aside his rough manners and become extremely obsequious and courteous, had a great respect for wealth, and held wealthy men in much reverence; and we have seen him excepting a favored class of stockbrokers from his scathing censure, while he pours the whole phial of his wrath upon their guilty and depraved brethren. If the doctor had survived to the present time, and been cognizant of the practices which have rendered the Stock Exchange celebrated as the scene of deception and falsehood during the last fifteen years; if he had heard of the services of pigeon expresses, and had been familiar with the arts adopted "to rig the market" by the promulgation of false news; if the history of the turpitude of the great speculators and their tools, the "stags" and "lame ducks" of 1825 and 1847 had been studied by him, then he would have been compelled with regret to admit that the evil which he denounced in 1758, and which he hoped had been subdued by its own violence, still existed as the bane and disgrace of society.

It is true that among stockbrokers, at all times, there must have been a sprinkling of good men, and many who were not utterly depraved; but they could only be regarded as the Robin Hoods and Captain Macheaths of the forest and the highway, who, even in the midst of crime, retained some traces of native purity and virtuous instincts. But to mingle with such characters as Sir Henry Furness, Vulture Hopkins, Sir Manasseh Lopez and similar kindreds, and yet receive no taint, would have been as impossible as to touch pitch without being defiled. Foote makes his Mrs Coke pious while clinging for gain to an immoral calling, and the shocking contrast between her sanctimonious professions and daily practices, only presents her character to us in more disgusting features, and tends to make us look upon her vicious pursuits as far less odious than her hypocrisy.

Up to the year 1773 the persons who operated in stocks had no existence as an organized body, and had, in fact, only an ill name without any local habitation. At that period, however, they commenced a movement to improve their position and increase their strength and respectability. With this view they took a room in Sweeting's Alley, near the Bank, which they dignified with the title of the "Stock Exchange," and there any one engaged in stockbroking might transact his business upon the payment of the small commission fee of sixpence. We do not believe that stock brokers then conducted their affairs with the same mystery in which they have since been shrouded, and which for many years, from the exclusiveness observed, has caused them to be considered members of a secret society engaged in dark schemes which it would not be safe or convenient to reveal to the public. It is well known that defaulters belonging

to the body, if they are so indiscreet as to make their appearance among their associates upon 'Change after their fortune had been ascertained, are liable to be assaulted in a barbarous manner, and treated with the greatest personal insult; but strangers who may inadvertantly stray into Capet Court during the hours of business, tempted by curiosity or ignorant of their danger, are liable to be equally roughly handled, and have their lives placed in jeopardy by attacks made upon them by millionaire speculators and leviathan capitalists, who would feel ashamed of being thought capable of committing such acts in any other quarter. For the information of those who may not be aware of the danger to be apportioned by a stranger who intrudes upon the forbidden precincts of the Stock Exchange, the following description of a scence which took place there some years ago is taken from a small and entertaining volume entitled "City Men and City Manners," the author of which, it has been rumored, is a popular contributor to the commercial department of the daily press.

"The members of the Stock Exchange, as an exclusive body, do not permit strangers to visit their establishment, and summary proceedings are adopted against intruders. One who suffered from the ungentlemanly proceedings of the members thus describes the outrage: I turned to the right and found myself in a spacious apartment, which was nearly filled with persons, more respectable in appearance than the crew I had left at the door. Curious to see all that was to be seen, I began to scrutinize the place and the society in which I had intruded. But I was prevented indulging the reflections which began to suggest themselves, by the conduct of those about me. A curly-haired Jew, with a face as yellow as a guinea, stopped plump before me, fixed his black, round leering eye full on me, and exclaimed, without the slightest anxiety about my hearing him, "So help me Got, Mo! who is he?" Instead of replying in a straight forward way, Mo raised his voice as loud as he could, and shouted with might and main—"Fourteen hundred new fives,—now for a lark!—where is he? Go it—go it!" were the cries raised on all sides by the crowd, which rallied round my person like a swarm of bees; and then Mo, by way of proceeding to business, repeating the war cry, staggered sideways against me, so as to almost knock me down. My fall, however, was happily prevented by the kindness of a brawny Scotchman, who, humanely calling out, "Let the mon alone!" was so good as to stay me in my course with his shoulder, and even to send me back towards Mo, with such violence that had he not been supported by a string of his friends, he must infallibly have fallen before me. Being thus pushed, however, he was enabled to withstand the shock, and to give me a new impulse in the direction of the Scotchman. Mo awaiting my return, treated me with another hoist as before. Finding these two worthies were likely to amuse themselves with me as a shuttlecock for the next quarter of an hour, I struggled violently to extricate myself from the unpleasant situation, and by aiming a blow at the Jew, induced Moses to give up his next hit, and to allow me for a moment to regain my feet. The rash step which I had taken was likely to produce very formidable consequences; all present were highly exasperated. The war became more desperate than ever. Each individual seemed anxious to contribute to my destruction, and some of their number considerably called out—"spare his life but break his limbs!" My alarm

was extreme, and I looked anxiously around for the means of escape. "You ought to be ashamed of yourself to use the gentleman in that sort of way," squeaked a small imp-like person affecting sympathy, and then beginning to renew the shout. "How would you like it yourself?" cried another, "if you were a stranger?" shaking his sandy locks and knocking off my hat as he spoke. I made a desperate blow at this offender. It did not take effect, from the expedition in which he retreated, and I had prudence enough to reflect that it would be better to recover my hat than to pursue the enemy. Turning round I saw my unfortunate beaver, or "canister," as it was called by the gentry who had it in their keeping, bounding backwards and forwards between the Caledonian and his clan and the Jew and his tribe. Covered with perspiration, foaming with rage, and almost expiring from heat and exhaustion, I at last succeeded. I did not dare to reinstate it, but was forced to grasp it with both my hands, in order to save what remained of it. I baffled several snatches, one of which carried away the lining, and was now trying to keep the enemy at bay, afraid again to attack the host opposed to me, but not knowing how to retreat, when a person who had not made himself conspicuous, approached and interfered—"Really you had better go out," at the same time pointing to a door, I had not seen before.

"Comment," says the author of the publication from which we have just quoted, "is unnecessary, and however the practice may be regulated by the merchant when out of the house, there are few who would not in it, act in a similar manner."

That such a practice could exist upon the Stock Exchange, and that men moving in the highest commercial circle in the capital of a civilized country could so far disgrace themselves as to take part in such a scene (which reminds us of one of those vivid descriptions in the romances of Sir Edward Bulwer Lytton or Eugene Sue, where some unfortunate individual had been tempted or strayed into a den swarming with the ruffian class of society, and having been sadly maltreated, narrowly escapes with his life) seems to us almost incredible, and would lead us to conclude that much iniquity must be committed in the locality daily frequented by those who so dread the presence of strangers. M—.

THE CANTON COMPANY.

A generation of Wall-street frequenters has passed away since the stock of the Canton Company first had a place on the official list, and but few remain on the street who can remember the day when "Canton" was not regularly called at the Board. At that early period, and for many subsequent years, it was one of the leading *jancy* stocks, and regarded by many as having little if any value. Transactions in Canton, however, are now quite limited in comparison to those in which our predecessors took part.

The Canton Company are the owners of a large property adjoining Baltimore. At the formation of the company these lands were vacant

and unproductive. The object of the company was to improve them, and, as settlement increased, make a profit from their transactions.

Those who knew Baltimore twenty or thirty years ago, and who compare the Baltimore of to-day with it, must confess that its progress in wealth and importance has been at least *pari passu* with the country it has made tributary to it. In the meanwhile it has tripled its population, and by means of its railroads and the public spirit which projected them and gave them existence, its industry has been developed, and the city as an industrial centre sustained its position among the leading marts of American commerce. Like all properties located contiguous to large places the real estate of this company has partaken of the prosperity of the metropolis of which it is now a portion—indeed, a very flourishing portion.

We do not know how many acres are held by the company, but there are several thousands. These have been divided up by streets and roads into building plots and farms. Considerable portions have been built upon for residential purposes, and others appropriated to manufactures, among which are several large iron works, brick yards, &c.; and with the increase of these the value of the company's remaining property has been proportionately increased. The company have fastered this process by erecting buildings on their own account, selling them and appropriating the proceeds to further improvements.

The wharf property of the company, being on deep water, is also very valuable and is being rapidly improved. Branches of the great railroads diverging from the city are being constructed, which will contribute largely to the further development of the advantages of Canton as a commercial site. Canton is also connected with the central city by passenger or horse railroad.

About ten years ago the company was re-constructed and the nominal value of the stock of the company, originally \$100 per share, was reduced to \$20 per share. Of this only \$16 25 per share has been paid up. There being 50,000 shares in all, makes the paid up capital of the company \$812,500. For several years, however, it has been the policy of the company to buy up their own stock with moneys arising from the sale of lands. In this way and in lieu of dividends 5,000 shares have been purchased and cancelled, thus greatly enhancing the value of the outstanding shares. These operations, which are in the nature of a tontine, have undoubtedly had their influence on the market in so far as they have created a competition between the company and the public for the possession of the company's stock.

The actual value of the stock, however, has been increased solely by the development of the property. The rent roll of the company shows this to have been very rapid, especially for the last three years—in 1863 it was \$21,357; in 1864, \$26,493; in 1865, \$38,316, and in 1866 \$46,124. This rent roll, nevertheless, shows only the income from the utilized portion of the company's property. It does not tell us what additional value the progress of improvement has given to the still vacant remaining property.

The total receipts and expenditures of the company for the three years ending May 31, 1866, have been as follows:

	1864.	1865.	1866.
Receipts	\$33,691	\$52,149	\$67,682
Expenditures	29,424	57,080	55,490

The following from the company's balance sheet, shows the financial condition of the company at the close of the years named :

	1863-64.	1864-65.	1865-66.
Stock account....	\$812,500	\$812,500	\$812,500
Other accounts.....	94,291	54,291	65,149
Total.....	\$896,791	\$866,791	\$877,649

Against which are charged as follows, viz. :

Real estate	\$464,490	\$338,411	\$298,214	Other accounts .	\$28,263	\$25,659	\$41,353
Cancelled stock.	80,030	107,272	124,922	Cash balance....	11,606	6,065	12,302
Annuities.....	44,260	163,318	260,022	Personal acco'ts	20,898	28,692	25,525
Dividends	99,066	99,066	99,066	Total	\$896,791	\$866,791	\$877,649
Paying account.	88,248	88,248	88,227				

These exhibits are certainly very satisfactory. They show that the income of the company is constantly increasing, and the property held by them becoming more and more valuable as time progresses, and improvements take place. Not a single lien or debt of any kind encumbers the property. Its revenue from ground rents alone is now equal to six per cent. on the capital. This, as before stated, is expended in improvements and reduction of the outstanding stock. Under this durable process the property will eventually become a very valuable estate, and fully compensate those stockholders who have comprehended the situation, and have held their shares under all the varying phases of the company's career.

For several months Canton shares have sold at an average of 50, which is three times their original cost. Taking this as an index, the property which cost \$812,500, is now valued at two and a-half million.

FINANCES OF CALIFORNIA.

The public debt of California on the first day of July, 1865 (as reported to the Legislature at their biennial session last winter) was as follows :

Description of Indebtedness.	In private hands.	Invested in State Funds.	Total Amount.
Civil bonds of 1837.	\$2,121,500	\$605,000	\$ 2,726,500
Civil bonds of 1860.....	196, 00	.....	196,500
Soldiers' Relief bonds.....	144,500	60,000	204,500
Soldiers' Bounty Bonds.	45,000	.....	45,000
Total Funded Debt	\$2,507,000	\$665,000	\$3,172,000
Warrants outstanding on Capital Fund.....	.....	.....	12,106
" " on Soldiers' Relief Fund....	.....	.....	308,172
" " on Soldiers' Bounty Fund.....	.....	.....	226,600
" " on Line Officers' Fund.....	.....	.....	500
" " on Military Fund .....	.....	.....	61,519
Unfunded Scrip due School Fund.....	.....	.....	21,620
Due Swamp Land Fund .....	.....	.....	5,000
Total funded and floating debt.....	.....	.....	\$3,941,224

From which deduct as follows, viz.:

Balance in General Fund.....	\$152,202
" in Interest and Sinking funds after paying July interest	85,971—142,971
Net State indebtedness July 1, 1865.....	\$4,784,121

Of the amount (\$675,000) held in trust for State Funds \$665,000 belong to the School Fund, and \$10,000 to the Seminary Fund.

In addition to the debt above reported there are bonds of the State issued under an act (approved May 3, 1852) authorising the State Treasurer to issue bonds for the payment of the expenses of certain expeditions against the Indians, amounting to \$38,100, and controller's warrants not converted into bonds \$2,150.

The population of the State in 1860 was 379,994, and may now be estimated at 400,000, and hence on this basis the debt as outstanding July 1, 1865, was in the ratio of \$12.43 to each head of the population. The assessed valuation of real and personal property, subject to tax in 1865, was \$180,484,949. This is equivalent to \$38.12 for each dollar of the debt, or in other words the debt is 24 per cent of the aggregate wealth of the people.

The revenue of the State is mainly raised from the property tax, which for the year ending June 30, 1865, amounted to \$1,614,492. This, however, was an extraordinary levy made to meet extraordinary services; and by the estimates for the current year not one half the amount stated would be required. It was on this account that the State controller in his report to the Legislature recommended the reduction of the total State taxation from 115 cents to 96 cents on the hundred dollars.

The total receipts from County Treasurers' on account of the property tax and other imposts in the fiscal years 1864-65 were		\$2,044,702
Miscellaneous receipts including stamps, bonds issued, interest, &c.....		549,653
Total receipts.....		\$2,594,355
Expenditures.....		2,603,065
Deficit in receipts.....		\$8,700

The progress of the State from 1850 to 1865 as indicated by the assessed valuation of real and personal property therein is shown in the annexed table :

1850.....	\$57,670,689	1855.....	\$103,887,193	1860... ..	\$148,193,540
1851.	49,231,052	1856.....	95,007,441	1861.....	147,811,617
1852.....	64,579,375	1857.....	126,059,462	1862.....	160,869,072
1853.....	95,335,646	1858.....	123,955,977	1863.....	174,104,955
1854.....	111,191,630	1859.....	131,060,279	1864.....	180,484,949

In 1852 the total population, according to the United States Census, was 255,122, and in 1860 it was 379,994, which gives an increase in eight years of 124,872, or nearly 49 per cent. The valuation in 1852 is stated to have been \$64,579,375, and in 1860 \$148,193,549, an increase of \$83,614,165 or 129½ per cent. The wealth possessed by each head in 1852 was \$253.13 and in 1860 \$389.98, showing an increase of \$136.85, or 54.02 per cent. If we assume the present population at 400,000 and the valuation at \$200,000,000, neither estimate beyond the probability, we shall find the average wealth of the people to be \$500. These calculations show a rate of acquisition seldom if ever equalled even in the manufacturing states of Rhode Island and Massachusetts. It is the best criterion by which to measure the debt-paying ability of a State.

CANVAS vs. STEAM.

The result of this year's race from Foo-choo to London of four clipper ships with the new seasons teas, has again proved, and more signally than on former occasions, that navigation and seamanship, without steam, can perform, with canvas alone, this most lengthy voyage at a rate of speed which only one or two of the steamers have exceeded, but the most of them failed to accomplish. The distance between Foo-choo and London is about 15,000 miles.

This distance was run simultaneously by the ships referred to in 98 days, or at an average hourly speed of $6\frac{1}{2}$ knots throughout, direct. The fastest steamer that has attempted this voyage has arrived 20 days before these ships, with what result (as compared with the clippers) to owner of vessel or cargo the future will best prove. From the fact that more than double the freight was paid for the tea by this conveyance, and that it was thus earlier delivered, it is fair to believe that, if the conveyance fulfilled expectations, there might be a mutual advantage. But there seems to be a serious impression both in London and the Clyde that although steam may succeed in lessening somewhat the time of transit of the goods, the disparity of rates of freight between sailing ships and steamers requisite to pay the latter, being entirely disproportionate to their relative performances, cannot ensure a corresponding advantage to the merchant, and therefore the question of canvas or steam in the tea trade between China and London will be answered, at least for a long time to come, in favor of the extreme sailing ships.

The magnitude and importance of this staple article of commerce, which has now become almost a necessary of daily life, render it a matter of great moment to have the transit from the place of production to the great depot of consumption effected as quickly, safely, and regularly as possible. Before steam threatened to rival the good old merchantmen in maintaining our commercial relations with distant lands in the exchange of this and other staples of trade for our own manufactures, the ships were constructed much more with a view to capacity for cargo than to attain great speed. But since the advent of steam, and now that vessels so propelled have proved themselves rapid, safe, and regular means of conveyance, the supporters of canvas have constructed their ships of extremely clipper model, many of which—in the long voyages at any rate—but particularly in the China trade, have proved by their swiftness very formidable rivals to steam. The merchant, whose property is conveyed, being deeply interested, very heartily must promote an improvement where the uncertainties of calms and storms are dispelled by application of a motive power independent of the wind, and the course, unless the sailing ship can be made in some way equal to the task of competing with a chance of success against the steamer, the preference will be awarded to the latter.

In communication with adjacent countries there is no need to dispute the supremacy of steam. But in the long voyages—in which, naturally enough, from success in the short ones, the idea of similar success has induced the attempt—it is a matter of considerable doubt whether it is at all practicable, not only on account of the many obstacles (unknown in short voyages) which meet the projectors, but chiefly from the unequal

battle they must fight with the extreme clippers, which are yet the favorite means of conveyance, simply because—very different from the old merchantmen—they have proved themselves to be speedy, regular, and reliable carriers. This subject has been investigated by many owners, both in England and China, who are engaged in the trade, and although many have, with commendable enterprise, made bold endeavors to gain that reliable position which has been awarded to steam in the trans-atlantic and other successful short trades, the results both to owners of cargo and steamer, in attempting the China trade, have been, to say the least, unsatisfactory. This can easily be conceived. The obvious difficulty that meets the projectors of steam in pursuing successfully so long a voyage, is the cost of maintaining by its power a rate of speed noticeably greater than that of the extreme sailing clippers, or, in other words, accomplishing the voyage in a space of time so much shorter than they can, that it will compensate for the extra rate of freight which steamers must obtain in order to pay. Next to the cost of producing this power, a similarly serious difficulty requiring similar compensation, meets the projector, in the necessity of limiting the cargo capacity of the steamer in order to carry the engines and fuel. And besides these serious considerations, the route between England and China being naturally in favor of sailing ships, their course lying for the greatest part of the way through the regions of the trade-winds, where nothing is equal to canvas, steamers come to compete with them on terms of inequality very much in favor of the latter. Even on those parts of the voyage, the belts of calms and variable winds which bound the trades and which of old, distressed the mariner in his lumber-some East Indiaman by tedious delay—where steam admittedly has the advantage of canvas—the advocates of the latter have so successfully modelled their ships, and spread on their lofty masts such press of sail, that the lightest airs, unfelt by common ships, in a very short time waft these clippers on their way. Thus the gain by the steamer in calms is of comparatively no account with the certain advantage this exceptional sort of ship has in winds.

Looking at the question of canvas vs. steam from another point of view, and assuming that steam could effect the transit in twenty days less than a sailing ship, on the voyage from Foochoo to London, and apart from the consideration of the rate of freight that would enable the owner to maintain such a vessel, what would the advantage to the merchant be? This economy in time, by such a mode of conveyance, would save the merchant interest, and probably insurance on his goods, to the extent perhaps of a farthing per pound, besides giving him by early delivery the speculative chance of another farthing, or perhaps $\frac{1}{2}$ l. per pound. These, together amounting to say $\frac{3}{4}$ l., might enable him to pay a fair share of that to the steamship owner—beyond the rates paid by sailing vessels. One-half penny per pound is about 35s. per ton of fifty cubic feet of tea, which is an advance in rate of freight beyond which the merchant must feel unwilling to go as long as the clippers keep up the speed which they have, latterly especially, ensured. Beyond that, it is not at all probable that the steamship owner can calculate, unless in exceptional cases, where such earlier delivery prospectively promises a better result to the merchant, and the latter can afford thus to encourage this comparatively expensive means of transit. But it is clear to the most casual inquirer into this question

that until steam can compete with canvas on equal terms, the preference will undoubtedly be awarded to the latter.

The reasons already mentioned—namely, the cost of fuel and the space it occupies in attempting this long voyage—are the (at present) insuperable difficulties to contend with, and which have been more or less the cause of so many failures in the endeavor of the promoters of steam to get a place firmly in this trade. And until these serious hindrances can be removed by some invention to economise fuel, every succeeding attempt must result as unsatisfactorily as those which have gone before. Against every new thing there naturally exists prejudice. And had steam not had a fair trial we should have been disposed to have viewed the prevailing feeling, which in China particularly is very obvious and common, against the steamers, as simply want of honest judgment. But from the comparison we have endeavored to make in the preceding remarks, it is clear that there are actual grounds of distrust in steamers, and plain reasons why sailing clippers in this trade should be preferred and substantially supported.

While we come to this conclusion on the subject of canvas *vs.* steam, it cannot be denied that the success of the sailing ship has been much owing to the incentive produced by competition with steam. No doubt while many unsuccessful attempts were being made the shipowner saw the necessity to meet the advancing spirit of the age, and struggle for the supremacy of sail. For from year to year the ships have been constructed of always finer model, dimensions being adopted where capacity was sacrificed for speed. In fact (of late more especially) the extreme clippers in this employment have been built with lines that more resemble those of our pleasure yachts than that of ships for carrying merchandise. So much has this been the case that these ships are renowned throughout the world for their remarkable sailing powers, and are peculiarly the pride and property of the China tea trade.

TRADE OF GREAT BRITAIN AND THE UNITED STATES.

COTTON, BREADSTUFFS, PROVISIONS, ETC.

Notwithstanding the unsatisfactory position of affairs in England, the Board of Trade returns for the month of September, and the nine months ending September 30, show very satisfactory results as compared with previous years. Both in imports and exports a large business has been done, and as prices are higher, as regards many articles, than in former years, the value of the articles imported or exported shows a considerable increase. During the nine months ending September 30, the declared value of the total exports of British and Irish produce and manufactures was £141,936,898, against £119,717,377 last year, and £123,404,161 in 1864. For the month of September the declared value was £16,671,078, against £17,316,681 in 1865, and £14,687,942 in 1864. For each month, from January to September, inclusive, in each of the last three years, the figures stand thus:

	1864.	1865.	1866.		1864.	1865.	1866.
	£	£	£		£	£	£
Jan.....	10,412,586	10,489,320	14,864,748	July.....	14,394,364	14,112,410	14,957,824
Feb.....	12,698,121	11,876,214	15,116,068	Aug.....	16,274,269	14,158,648	17,450,156
Mar.....	18,555,674	18,770,154	17,520,854	Sept.....	14,687,942	17,816,681	16,671,078
April.....	12,225,089	12,071,111	15,866,414				
May.....	14,176,640	12,194,758	15,870,181	Total.....	122,404,161	119,517,877	141,986,696
June... ..	12,978,526	12,227,062	14,620,120				

The imports in August were larger than in the previous month, and within £60,000 of the corresponding month last year. The total value of the imports for the eight months is £50,000,000 greater than in the corresponding period in 1865. This large increase is chiefly to be accounted for by the greatly-augmented value of the cotton imported, viz.: £58,000,000, against nearly £30,000,000, and by the increase in the value of the wheat and flour imported, viz.: £11,600,000, against £6,400,000 last year. The computed real value of the imports into Great Britain from all quarters for the eight months was as follows:

	1864.	1865.	1866.		1864.	1865.	1866.
	£	£	£		£	£	£
Jan.....	7,520,356	6,898,929	9,847,564	June.	21,408,185	15,407,688	23,242,701
Feb.....	18,214,541	12,891,252	16,610,159	July.....	20,458,258	18,964,190	19,597,929
Mar.....	16,396,928	12,005,394	19,891,204	Aug.....	21,944,048	20,997,691	20,940,308
Apr.....	17,587,565	12,078,765	22,455,968				
May.....	22,892,001	14,595,334	23,224,762	Total.....	141,012,477	115,802,763	155,811,500

With regard to the United States, it appears that the value of British and Irish produce exported in August was £2,554,506, against £1,636,223 last year, and £735,803 in 1864. For the eight months, the exports were of the following declared value:

	1864.	1865.	1866.
To Atlantic ports, Northern.....	£13,404,761	£9,074,733	£18,553,884
Southern	78,320	75,182	720,762
Pacific ports	661,487	351,163	559,799
Total	£14,144,573	£9,481,064	£19,834,445

COTTON.

The principal imports into Great Britain are now from British India, the supplies received from this country being comparatively trifling. In September the imports reached a total of 980,713 cwts., of which 724,712 cwts. were from the East Indies, and only 161,679 cwts. from the United States. The total from this country for the year, however, is nearly 4,000,000 cwts., out of 9,790,314 cwts. It is fully anticipated that, as the crop in Egypt is of more than average extent, increased supplies of cotton will shortly be received from that quarter. The particulars of imports of this staple are subjoined :

IMPORTS OF COTTON INTO GREAT BRITAIN IN NINE MONTHS.

	1864.	1865.	1866.
From United States.....cwts	116,848	182,000	3,925,679
Bahamas and Bermudas.....	252,549	153,604	6,418
Mexico.....	170,897	290,488	3,145
Brazil.....	255,723	327,731	519,944
Turkey.....	150,705	175,237	84,300
Egypt.....	284,483	1,106,371	772,558
British India.....	2,080,140	2,581,409	4,163,799
China.....	571,832	301,525	83,337
Other countries.....	232,659	336,880	211,094
Total.....	5,322,211	5,400,070	9,720,314

The exports of cotton from Great Britain in September were rather less than in the corresponding month last year; but for the nine months there is a balance in favor of this year of about 680,000 cwts. In September the shipments were 382,908 cwts., against 405,732 cwts. in 1865, and 188,833 cwts. in 1864. For the nine months the following are the figures:

EXPORTS OF COTTON FROM GREAT BRITAIN IN NINE MONTHS.

	1864.	1865.	1866.
To Russia.....cwts	211,673	222,551	215,465
Prussia	11,445	32,742	42,735
Hanover.....	42,265	14,051	5,612
Hanse Towns	403,942	510,527	617,735
Holland.....	345,494	305,771	412,432
Other Countries.....	700,934	907,074	1,277,854
Total ...	1,715,749	1,991,726	2,679,553

The computed real value of the cotton imported into Great Britain in the eight months ending August 31 was as follows:

	1864.	1865.	1866.
From United States.....cwts	£1,485,788	£289,114	£29,349 000
Bahamas and Bermudas.....	2,960,704	1,379,316	44,634
Mexico	2,167,559	2,315,909	21,591
Brazil.....	3,105,877	2,552,072	2,971,452
Turkey	1,542,191	822,566	515,714
Egypt.....	10,892,499	8,094,171	6,035,740
British India.....	21,161,406	10,241,094	16,139,732
China.....	4,633,233	1,449,586	75,000
Other countries.....	2,499,883	2,331,720	1,445,673
Total.....	£50,504,190	£29,944,508	£38,304,544

BREADSTUFFS.

The wheat trade in England has now assumed a position of great importance to ourselves. At the latest date, wheat was about 12s. per quarter dearer than in 1865, and as importations from France had almost ceased, whilst Prussia was sending very moderate supplies of produce to the London market, the trade, though quieter than in previous weeks, was characterized by considerable firmness. The arrivals of wheat, however, at ports on the east coast had been large, chiefly from Russia, and rather considerable supplies of flour, of good quality, had been received from Moscow *via* St. Petersburg and Cronstadt. It was expected that previously to the closing of navigation in the Baltic large supplies of Russian, and moderate supplies of Prussian, wheat would be hurried forward. With regard to the French crop, there is certainly a deficiency from the recent abundant years. In some quarters it is said that France will require a very large supply of wheat from abroad; but from trustworthy sources it appears that the deficiency is greatly overstated. The French are certainly taking supplies of wheat at English ports; but it must be borne in mind that as the French crop is deficient in quality, there is the greater necessity to buy fine foreign wheats for seeds; hence, French buyers have made more important purchases for this purpose than customary. A few parcels of wheat and flour continue to be received at English, from French ports, and although unimportant in extent, serve to indicate that there is some exaggeration in the reports

urrent in England of a very deficient French harvest. In Europe the next crop appears to be in Russia, and as from the high prices ruling here, the English have, for the present, ceased to anticipate large supplies from this port. Much attention is naturally directed to the crop in Russia and on the Danube. In September, 1866, the import of wheat into Great Britain and Ireland was only 1,192,064 cwts., against 2,108,966 cwts. last year, and 2,665,799 cwts. in 1864. The principal import was from Russia, viz.: 687,431 cwts., and from Prussia, viz.: 229,233 cwts. From France only 15,327 cwts. were imported, and from the United States only 42,260, cwts. The import of flour was confined to 103,965 cwts., viz.: 21,843 cwts. from the Hanse Towns, 29,666 cwts. from France, 13,847 cwts. United States, 11,054 cwts. British North America, and 27,605 cwts. from other countries. The following figures show the imports of wheat, flour and Indian corn into Great Britain in nine months:

WHEAT.				
	1864.	1865.	1866.	
From Russia.....cwts	2,825,463	5,063,641	5,297,837	
Prussia.....	2,616,145	2,787,907	2,127,739	
Denmark.....	629,493	404,615	389,497	
Schleswig, Holstein, & Lauenburg.....	223,558	197,094	147,223	
Mecklenburg.....	466,292	405,676	573,823	
Hanse Towns.....	465,617	357,602	659,434	
France.....	481,073	1,087,672	3,390,351	
Turkey, Wallachia, and Moldavia.....	377,646	483,770	357,343	
Egypt.....	366,840	10,063	14,089	
United States.....	7,100,042	854,212	338,019	
British North America.....	624,506	292,392	8,789	
Other Countries.....	346,203	786,865	2,497,302	
Total.....	17,723,333	12,674,439	16,721,663	
Indian corn.....	2,626,580	4,047,717	12,042,623	

FLOUR.				
	1864.	1865.	1866.	
From Hanse Towns.....cwts	248,293	173,971	203,075	
France.....	1,508,393	1,75,149	3,106,493	
United States.....	1,631,103	214,721	206,893	
British North America.....	326,655	159,182	26,522	
Other Countries.....	87,454	124,276	196,412	
Total.....	3,811,898	2,423,300	3,741,612	

PROVISIONS.

Provisions of all kinds are selling at very high rates, and there are still no signs of an abatement in the quotations. The arrivals of butter have increased, and enormous quantities of eggs have been received at British ports. Lard, which during a great part of the year has sold at high prices, has been imported much more freely, and at latest date the quotations were lower. The imports of provisions into Great Britain in the nine months ending September 30, were as follows :

	1864.	1865.	1866.
Bacon and hams, cwts.....	937,924	553,734	561,309
Beef, salt, cwts.....	250,023	175,823	152,594
Pork, salt, cwts.....	170,771	13,987	149,120
Butter, cwts.....	673,713	747,743	787,223
Cheese, cwts.....	573,186	572,740	520,789
Eggs, number.....	272,050,660	296,422,920	300,247,440
Lard, cwts.....	165,373	96,294	212,863

EXPORTS OF BRITISH AND IRISH PRODUCE AND MANUFACTURES.

Annexed was the declared value of the exports of leading articles to this country, during the nine months ending Sept. 30, compared with the two previous years :

	1864.	1865.	1866.
Alkali.....	£294,919	£204,291	£72,145
Beer and ale.....	38,878	32,941	32,797
Coals	105,878	88,718	78,822
COTTON MANUFACTURES—			
Piece goods.....	1,556,775	1,397,546	1,397,935
Thread.....	173,935	164,649	174,335
Earthenware and porcelain.....	330,232	230,397	528,389
Haberdashery and millinery.....	724,176	595,896	978,636
HARDWARES AND CUTLERY—			
Knives, forks, &c.....	100,309	97,609	134,732
Anvil's, vices, &c.....	72,848	61,475	73,739
Manufactures of German silver, &c.....	230,728	199,759	343,235
LINEN MANUFACTURES—			
Piece goods.....	2,052,699	2,121,809	2,117,235
Thread.....	161,323	103,235	181,179
METALS—			
Iron—Pig, &c.....	206,124	97,519	216,001
Bar, &c.....	673,276	124,634	418,957
Railroad.....	781,228	236,409	571,222
Castings.....	13,813	2,438	15,549
Hoops, sheets and boiler plates.....	208,948	58,897	245,191
Wrought.....	215,735	108,439	163,445
Steel—Unwrought.....	414,015	239,184	424,671
Copper, wrought.....	18,017	22,439	34,823
Lead, pig.....	208,563	71,974	121,214
Tin plates.....	530,102	671,998	1,132,252
Oilseed	46,692	21,738	221,559
Salt	29,649	23,542	88,974
SILK MANUFACTURES—			
Broad piece goods.....	70,876	80,051	108,735
Handkerchiefs	17,198	1,279	7,529
Ribbons of silk only	27,823	23,196	31,545
Other articles of silk only.....	74,821	88,513	67,649
Other articles mixed with other materials.....	36,693	20,177	61,751
Spirits, British.....	10,482	7,561	14,759
Wool	37,942	11,632	12,199
WOOLEN AND WORSTED MANUFACTURES—			
Cloths of all kinds	687,077	354,898	732,237
Carpets and druggets.....	209,619	205,415	651,891
Shawls, rugs, &c.....	60,589	21,698	28,521
Worsted stuffs of wool only, and of wool mixed... ..	1,953,699	2,421,201	2,011,601

SHIPPING.

With regard to shipping, the following are the particulars, so far as this country is concerned :

	Number.	Tonnage.
American vessels entered inwards in September, 1864.....	62	62,607
do do do do do 1865.....	34	21,385
do do do do do 1866.....	26	21,299
do do in nine months ending Sept. 30, 1864.....	239	233,035
do do do do do 1865.....	239	247,139
do do do do do 1866.....	242	254,704
American vessels cleared in September, 1864.....	25	25,172
do do do do do 1865.....	46	48,792
do do do do do 1866.....	32	34,973
do do in nine months ending Sept. 30, 1864.....	236	232,235
do do do do do 1865.....	238	231,686
do do do do do 1866.....	413	408,771
Vessels of all flags entered from American ports in Sep., 1864.....	149	111,778
do do do do do 1865.....	65	55,943
do do do do do 1866.....	107	9,395
do do in nine months ending Sept. 30, 1864.....	918	625,541
do do do do do 1865.....	939	628,899
do do do do do 1866.....	1,269	1,125,472
Cleared in September, 1864.....	74	84,779
do do 1865.....	102	125,621
do do 1866.....	111	119,765
Cleared in nine months ending Sept. 30, 1864.....	899	925,699
do do do do 1865.....	939	928,899
do do do do 1866.....	1,072	1,177,221

ANALYSES OF RAILROAD REPORTS. No. 16.

HARTFORD AND NEW HAVEN RAILROAD.

This is the middle link in the great inland route of travel between New York and Boston, connecting at New Haven with the New York and New Haven Railroad, and at Springfield with the Western Railroad. Its constituents are as follows :

	Miles.
Main line—New Haven, Ct., to Springfield, Mass.....	61.38
Branch line—Berlin Junction to Middletown.....	10.75
do do Junction to Hartford City.....	0.87
Total length of road owned by Company.....	73.00
New Britain and Middletown Railroad (recently purchased).....	2.47
Length of second track and sidings.....	60.2

The Hartford and New Haven Railroad Company was chartered by the Legislature of Connecticut in May, 1833, and authorized to construct a railroad from Hartford to New Haven, 36½ miles. About one-half this distance was completed and opened for public use in 1838, and the whole in the next year. The Massachusetts portion of the line (5.57 miles) was chartered April 5, 1839, under the title of the Hartford and Springfield Railroad, but the road was constructed under special agreement by the Connecticut Company; and in 1847 the two companies were consolidated. This portion of the existing line was finished early in December, 1844. The branch to Middletown, 9½ miles, was chartered in 1844, and opened in March, 1850. The extension to the Connecticut River, about a mile in length, was made in 1860. The New Britain and Middletown Railroad was built by a separate organization, but chiefly with capital supplied by the H. and N. H. Company. Since the close of the last fiscal year, however, this road has been purchased by the trustees, who hold it temporarily for the H. and N. H. Company, to be transferred on the settlement of accounts between the two companies.

BUSINESS OF THE ROAD.

The returns relating to the business of the line are meagre. So far as they relate to the mileage of trains and the amount of passenger and freight traffic, the following is the best statement we can prepare :

Fiscal Years.	—Mileage of engines hauling trains—				Pass'gers carried.	Tonnage carried.
	Pass'ger.	Freight.	Other.	Total.		
1856-57.....	221,583	88,052	16,598	325,233	545,837	....
1857-58.....	217,168	90,796	15,188	323,150	462,584	....
1858-59.....	219,500	92,563	12,700	314,763	486,772	....
1859-60.....	218,414	100,841	6,285	325,540	444,975	....
1860-61.....	231,614	86,484	2,253	320,351	499,888	....
1861-62.....	256,694	83,878	2,288	342,860	511,451	190,370
1862-63.....	263,903	117,821	22,771	404,495	663,200	222,639
1863-64.....	290,102	123,787	34,406	448,295	856,365	280,607
1864-65.....	293,173	116,112	37,943	447,228	921,501	238,253
1865-66.....	295,394	161,928	40,080	497,402	929,457	362,921

This statement shows that both passenger and freight traffic has nearly doubled during the past five years, and that since the close of the war the

business of the road has increased at a more rapid rate than during its progress, when the conveyance of soldiers and war material was a leading element in its business.

OPERATING ACCOUNTS—EARNINGS, EXPENSES, &c.

The gross earnings, operating expenses and profits of transportation yearly for the ten years ending August 31, 1866, are shown in the annexed statement :

Fiscal years.	Gross Earnings				Operating expenses.	Earnings less exp.
	Passenger.	Freight.	Other.	Total.		
1856-57.....	\$455,085 65	\$274,662 94	\$39,367 01	\$769,065 60	\$372,807 67	\$396,257 93
1857-58.....	371,906 62	215,537 06	40,781 57	628,225 25	308,864 91	319,360 34
1858-59.....	397,567 76	263,713 09	42,179 44	722,460 29	342,198 45	380,261 84
1859-60.....	428,042 30	320,853 53	41,640 93	790,536 76	368,731 46	421,805 30
1860-61.....	405,335 00	262,169 00	45,972 00	712,876 00	358,740 00	354,136 00
1861-62.....	412,462 18	2 2,596 54	42,252 08	747,300 80	257,001 92	490,298 88
1862-63.....	557,906 19	354,509 87	46,043 25	958,459 31	451,143 26	507,316 05
1863-64.....	787,696 65	457,110 09	47,570 21	1,292,376 95	719,708 36	572,668 59
1864-65.....	944,637 39	456,742 62	58,841 30	1,459,221 31	912,377 07	546,844 24
1865-66.....	909,852 21	630,911 09	51,540 23	1,591,304 53	958,321 52	632,983 01

Taxes, State and National, are not included in the operating expenses given above, but will be found noted in the income account.

INCOME ACCOUNT—RECEIPTS, DISBURSEMENTS, &c.

The following statement exhibits the total financial operations of the company yearly for the five years ending August 31, 1866 :

	1861-62.	1862-63.	1863-64.	1864-65.	1865-66.
Bal. from prev. year.....	\$ 122,241 13	\$ 187,444 27	\$ 187,440 28	\$ 69,203 66	\$ 187,126 29
Income from road.....	747,300 80	958,459 41	1,292,376 95	1,459,221 31	1,591,304 53
Dividend Tomlinson Bridge Co.....	8,850 00	.....	.....	.....	.....
Sale of stock.....	.....	.....	.....	291,150 00	14,000 00
Sales of property, &c.....	306 00	275 00	5,958 32	655 00	300 00
Debts due Co. dec'd.....	.....	.....	.....	9,208 88	2,300 00
Total resources.....	879,797 43	1,116,178 68	1,485,765 55	1,830,633 95	1,794,730 82
Disbursements.....	722,343 16	928,738 30	1,416,502 00	1,693,494 67	1,641,224 47
Cash balance.....	157,444 27	187,440 38	69,203 66	187,126 29	113,506 35

The disbursements were distributed as follows :

Opera'g and repairs.....	368,976 69	470,942 00	722,960 07	947,391 64	974,000 00
Balance of interest.....	52,910 99	42,548 65	50,337 60	52,906 29	52,906 29
Dividends on stocks.....	248,906 00	308,480 00	400,057 50	227,427 50	225,000 00
Real estate.....	.....	11,849 72	6,823 29	12,597 26	40,107 50
New works.....	9,453 59	30,026 22	.....	143,297 05	60,255 29
Steamboat "Orient".....	.....	.....	.....	62,000 15	4,213 65
Sundries.....	.....	8,241 95	.....	6,300 00	.....
Debts due Co. inc'd.....	42,066 89	2,774 40	151,203 22	.....	.....
State and U. S. taxes.....	.....	45,912 25	64,935 12	122,546 55	121,000 00
Total disbursements.....	722,343 16	928,738 30	1,416,502 00	1,693,494 67	1,641,224 47

The new works in 1864-65 were the Connecticut Bridge and in 1865-66 on account of the New Britain & Middletown Railroad. Besides the cash dividend there was distributed in October, 1864, a stock dividend of 20 per centum.

ABSTRACT OF GENERAL LEDGER.

The financial condition of the Company at the close of each of the last

ten years as given on the General Ledger is exhibited in the following statement:

	Close of Year.	Capital Stock.	Bonded Debt.	Contingent Reserve Funds.	Profit & Loss.	Dividends unpaid.	Debts by Co.	Total Amount.
1856-57.....		\$2,350,000	\$944,000	\$242,364	\$233,835	\$4,494	\$9,405	\$3,773,598
1857-58.....		2,350,000	964,000	367,049	145,851	4,320	2,047	3,822,267
1858-59.....		2,350,000	964,000	395,400	206,569	5,382	11,081	3,922,432
1859-60.....		2,350,000	936,000	434, 69	229,202	5,119	8,820	4,012,510
1860-61.....		2,350,000	927,000	582,037	87,439	14,354	12,336	3,975,097
1861-62.....		2,350,000	927,000	608,725	161,188	12,196	4,156	4,062,915
1862-63.....		2,350,000	927,000	667,622	200,854	9,216	26,363	4,181,055
1863-64.....		2,350,000	927,000	712,802	249,999	8,659	31,748	4,280,209
1864-65.....		3,000,000	927,000	418,901	211,410	8,092	88,930	4,654,333
1865-66.....		3,000,000	927,000	540,811	194,757	13,000	119,497	4,794,565

Against the above are charged as follows :

Close of Year.	Main Line.	Middle-town Ext'n.	Real Estate.	Rolling Stock.	Ma-terial & Tools.	Stocks & Bonds.	Debts adv'g.	Bridges & Steam-b't.	Cash on hand
1856-57.....	\$ 8,074,742	\$	\$ 62,728	\$ 254,000	\$ 129,793	\$ 102,889	\$ 56,963	.....	\$ 92,478
1857-58.....	8,105,046	.....	62,728	254,000	118,550	102,889	74,022	.....	121,032
1858-59.....	8,108, 19	.....	62,728	254,000	132,503	102,889	115,102	.....	157,192
1859-60.....	8,118,446	.....	62,728	254,000	121,805	102,889	149,804	.....	204,338
1860-61.....	8,119,978	25,590	62,428	254,000	123,702	102,889	162,858	.....	123,242
1861-62.....	8,123,616	25,977	62,253	254,000	135,677	102,889	196,359	.....	157,444
1862-63.....	8,158,645	27,6 4	73,787	254,000	155,476	102,889	221,154	.....	187,440
1863-64.....	8,158,645	27,683	74,681	254,000	158,719	139,889	397,88 1	.....	69,204
1864-65.....	8,129,017	27,683	87,590	245,000	195,983	139,889	322,923	360,130	187,138
1865-66.....	8,129,047	27,683	127,507	251,000	212,120	168,889	3 5,323	364,493	115,993

The capital stock of the Company previous to the *pro rata* distribution of stock to the shareholders in October, 1864, consisted of 23,500 shares

at par equal to.....	\$2,350,000
That distribution absorbed (29 shares in fractional rights having been paid for in cash)	
4,671 shares	467,100
Which made the capital 28 171 shares, equal to	\$2,817,100
Sold (at an average of 242@344) 337 shares, equal to	83,700
Sold to stockholders (at \$150) 2,492 shares.....	149,200
Present amount of Capital Stock, 30,000 shares	\$3,000,000
The proceeds of the sales of Stock was	305,810

The original amount of bonds was \$1,000,000 but only \$964,000 were issued, and of these \$37,000 were re-purchased in 1860-61, leaving the amount outstanding \$927,000. These bonds are dated January 1, 1853, and payable January 1, 1883; interest semi-annually in February and August.

The Contingent Fund amounts to \$150,000; the reserved fund varies yearly according to its increase or decrease.

GENERAL REVIEW—FROM 1838 TO 1866.

In the following table we give the cost of the road at the close of each fiscal year since its first section was opened, in 1838; also the length of road operated, and the earnings, cost of operating, and the net earnings for each year, and the amount and rate paid in dividends :

Fiscal year.	Cost of road, &c.	Miles of road.	Gross earnings.	Operat'g ex-penses.	Net earnings.	Dividends—Am't. Rate.
1838-39.....	\$729,606	18.18	\$81,923	\$11,500	\$20,433	..... ..
1839-40.....	851,121	36.23	65,147	23,152	41,995	..... ..
1840-41.....	966,396	36.23	91,305	29,270	62,035	\$24,000 3
1841-42.....	960,968	36.23	90,760	30,429	60,331	23,000 4

1843-43.....	36.23	89,304	22,806	55,498	27,692	3
1843-44.....	36.23	89,304	22,722	66,582	40,882	4
1844-45.....	61.75	139,634	62,713	121,123	72,920	6
1845-46.....	61.75	222,611	89,157	133,454	86,295	7
1846-47.....	61.75	234,725	120,436	114,289	121,000	8
1847-48.....	61.65	450,212	145,898	304,314	136,420	9
1848-49.....	61.75	432,808	142,401	290,407	162,000	9
1849-50.....	72.01	490,980	193,454	294,526	235,000	20
1850-51.....	72.01	556,004	235,011	320,993	322,500	15
1851-52.....	72.01	600,408	262,185	338,223	325,000	10
1852-53.....	72.01	639,528	304,180	335,348	325,000	10
1853-54.....	72.01	727,951	329,060	398,891	325,000	10
1854-55.....	72.01	980,918	372,113	608,805	325,000	10
1855-56.....	72.01	720,794	333,565	387,229	322,500	15
1856-57.....	72.01	839,086	372,806	466,280	325,000	10
1857-58.....	72.01	818,845	306,855	511,990	325,000	10
1858-59.....	72.01	723,410	342,193	381,217	325,000	20
1859-60.....	72.01	791,637	333,723	457,914	325,000	10
1860-61.....	72.00	712,878	358,740	354,138	325,000	14
1861-62.....	72.00	747,301	357,002	390,299	325,000	10
1862-63.....	72.00	1,084,459	497,066	587,393	325,000	12
1863-64.....	72.00	1,522,307	624,644	897,663	420,000	16
1864-65.....	72.00	1,452,711	1,146,153	306,558	297,000	12
1865-66.....	72.00	1,591,904	1,030,126	561,778	365,000	12

The operating expenses for the last four years include the State and national taxes, as follows: In 1862-63, \$45,913; in 1863-64, \$64,935; in 1864-65, \$133,806, and in 1865-66 \$121,805.

PROPORTIONAL DEDUCTIONS.

The following table shows the cost of the road per mile, the gross earnings, operating expenses, and profits (net earnings) per mile, the ratio of expenses to earnings, and of profits to cost of road, &c., for each of the ten years ending August 31, 1866:

Fiscal years.	Cost of road per mile.	Amount per mile.			Expa. to earn- ing, p. c.	Profits to cost of road.	Profits to stock and bonds.	Rate of d.
		Gross earn- ings.	Oper'g expen- ses.	Profits (net earn'gs).				
1856-57.....	\$46,329	\$10,561	\$5,175	\$5,386	48.85	11.30	12.00	10
1857-58.....	46,663	8,734	4,262	4,472	48.80	9.89	9.30	20
1858-59.....	46,694	10,048	4,753	5,295	47.30	11.34	11.62	10
1859-60.....	46,198	10,829	5,225	5,604	49.17	11.91	12.36	20
1860-61.....	46,561	9,765	4,914	4,851	50.35	10.42	10.61	14
1861-62.....	46,693	10,387	4,890	5,497	47.91	11.45	11.91	10
1862-63.....	47,127	12,129	6,809	5,320	51.26	12.41	14.06	12
1863-64.....	47,118	17,703	9,379	8,324	62.69	14.76	15.49	16
1864-65.....	47,716	19,996	14,231	5,765	71.67	12.12	10.52	12
1865-66.....	48,716	21,805	14,796	7,009	67.85	15.01	13.02	12

The Hartford and New Haven Railroad commenced paying dividends in 1840-41, and in the twenty-six years since elapsed has paid \$5,477,899, or an average of 9.5 per cent. per annum on the current capital. Applying the same sum to the present stock (\$3,000,000) it gives a little more than 7 per cent. per annum for the same term of years. This is a record probably unexampled in the history of railroad finance, and is certainly worthy of honorable mention. The lowest rate of net earnings to stock and bonds within the last ten years was in 1857-58 (the panic year), and then it was 9.82 per cent., which afforded, after paying 6 per cent. interest on bonds, the amount of \$927,000, a dividend of 10 per cent. (the lowest paid since 1850), with a liberal surplus to credit of company. These calculations do not include the stock distribution in October, 1864, when the stockholders received 20 per cent. on stock worth at that time at least double its par value. This stock is selling now on its increased capital at 175@180. It is so seldom, however, on the market that we find it impossible to give the table of monthly fluctuations usually attached to our analyses.

VIRGINIA CENTRAL RAILROAD:

The Virginia Central Railroad (including the Blue Ridge Railroad, 16.81 miles) extends from Richmond to Covington, 205 miles; but that portion beyond Jackson's River, 10 miles, has not been brought into use since the war.

The earnings and expenses of operating this road for the year ending Sept. 30, 1866, are shown in the following statement :

EARNINGS.		EXPENSES.	
Passenger.....	\$247,625 43	Transportation.....	\$149,415 55
Freight.....	196,184 96	Repairs of engines & cars.....	58,285 97
Express.....	26,836 11.	" of shops and tools.....	2,540 00
U. S. Mail.....	15,298 48	" of road & buildings.....	127,843 70
Miscellaneous... ..	935 00	Salaries.....	12,016 69
Rent of real estate.....	1,129 12	Taxes.....	20,552 80
		Insurance.....	2,071 50
Total.. ..	\$487,449 10	Repairs on real estate.....	177 89
	367,313 02		
Balance	\$120,136 08	Total.....	\$367,313 08

—net earnings, which were more than expended in extraordinary repairs, &c., viz., \$260,337 13, making the total expenses \$627,650 15, or \$140,201 05 more than the receipts.

The following table compares the freight business of 1866 with that before the war, the latter being based on the average of the three years 1858–60 :

	1858–60.	1866.	Decrease.
Tonnage carried westward.....	33,053.09	15,468.06	52 per cent.
" " eastward	32,216.94	21,899 89	33 "
Tonnage carried east and west.....	64,270.03	36,367.97	43 "

Included in the tonnage of 1858–60 are 5,777.74 tons of guano and 4,727.15 tons of plaster. The same commodities in 1866 amounted to only 1,122.14 and 1,492 tons respectively. The average amount of tobacco carried in the first period was 8,363 hogsheads against 1,359 in 1866. In 1858 the receipts per ton per mile were in 1858 6.4 cents, in 1859 6.63 cents, and in 1860 6.4 cents—average 6.36 cents. In 1866 the receipts were 6½ cents per ton per mile. This shows a very small advance over the old specie charge of 1858–60.

The number of passengers carried westward was 59,003, and eastward 60,033—total 119,036. The mileage made by these passengers was 6,769,756 miles, at an average of 4.17 cents per mile, against 4.29 cents in 1860. The mileage in 1860 was 5,769,464. The return for 1866 does not include passengers carried on government account.

The locomotives and cars are reported as being generally in fair order. The addition to the motive power since last year has been three engines, acquired by purchase, and two engines which had been in use on other roads during the war. Four passenger and four baggage cars have also been added, and a large number have undergone extraordinary repairs. The present stock of cars consist of the following: 15 passenger, 2 mail and express, 3 mail and second class passenger, 6 baggage, 6 conductor's or bunk cars, 97 box freight cars, 14 stock cars, and 48 platform cars.

The work done on the road during the year just passed is summed up

as follows: 128,817 cross-ties have been replaced, being 65,720 more than were ever laid in repairs in any previous year. New bridges have been built at Christian's Creek and Gordonsville, and two new road bridges over grade. Ninety-six (96,000) bricks have been laid in culverts to replace the wooden and other defective works; and a large amount of trestle-work has been renewed, and a large number of new cattle-guards have been built. The total labor, exclusive of ditching, amounts to 54,692½ days, at wages averaging 100.1 cents, which amounted to \$277.63 per mile of road. The labor on repairs in 1859 and 1860 cost \$210 to the hand hired. A considerable per centage of this labor was always lost from holidays, sickness and desertion. The cost of labor in 1864, (estimating 260 days as a year's work) which is 20 more than an average, was \$260.26 per annum. In view of the advance in prices of food and clothing, this must be regarded as a very moderate cost, for under the old system of labor, the hire remaining the same, the increased prices of provisions and clothing would have made the cost per hand \$270 for the past year.

The following statement shows the financial condition of the company as it was on the 30 September, 1866:

State's subscription to capital stock.....	\$2,013,957 32
Individual subscription.....	1,329,691 50
Total capital stock.....	3,343,648 82
Funded debt.....	1,739,822 75
Transportation from commencement to date.....	11,661,899 67
Rent of real estate.....	16,144 75
Due to stockholders for dividends not applied for ..	22,975 50
Due Board of Public Works for tolls on the Blue Ridge R. R ..	31,891 71
Bills payable.....	115,064 82
Open accounts.....	124,842 11—
Total receipts.....	17,122,321 65

Against which are charged as follows:

Road and buildings, between Richmond and Staunton.....	\$2,465,776 37
“ “ between Staunton and Covington.....	2,016,418 15
Locomotives, cars, machinery, &c.....	741,513 62
Total cost of road, &c.....	5,223,708 14
Real estate not included in road.....	25,196 75
Tolls to state for Blue Ridge R. R.....	225,049 22
Survey of short line between Richmond and Charlottesville.....	1,921 75
180 shares stock of C. V. R. R. Co. purchased at \$50.....	9,000 00
Interest from commencement.....	1,175,395 75
Dividends from commencement.....	1,222,651 30
Sinking fund: Company's bonds.....	57,500 00
“ “ state loan.....	7,205 13
Transportation and general expenses from commencement ..	\$161,464 20
Bills receivable ..	\$2,601 98
Due from agents, &c.....	103,235 81—
Cash in United States Currency.....	6,613 31
“ in Confederate Currency.....	20,822 00—
Total disbursements	17,122,321 65

The funded debt of the company is made up of the following descriptions and amount of debt:

Bonds guaranteed by State	\$100,000
Coupon bonds of 1861 payable 1872	205,000
“ “ of 1864 payable 1884	250,000
Loan from State of Virginia 1859-60	210,000
Coupon bonds of 1865 payable 1876	20,000
“ “ issued for funded interest payable 1877.....	72,570
Registered bonds “ “ “ 1870.....	2,000
Bonds issued for dividends payable 1866 and 1875	122,613
Temporary loans, now due.....	61,500
Total funded debt.....	\$1,739,822 75

Much of the interest falling due on the bonds of the company during the war remained unpaid, having been held over by the holders of the bonds, or bought up by others as a safe investment. This, with the semi-annually accruing interest up to January, 1867, the Company found it impossible to pay, they therefore proposed to its holders to fund at par in 8 per cent. bonds, redeemable chiefly in 10 years from July, 1866, all interest up to January, 1867, inclusive, and gave assurance that the regular payment of interest would be resumed on the 1st July, 1867. This proposition was regarded as just and fair, and has been received with favor by the parties interested. A considerable amount has already been funded, and the funding is still progressing. The amount to be issued for the purpose of funding is \$300,000.

With regard to the construction of the Covington and Ohio Railroad, the President, in his report, states as follows: "The General Assemblies of the States of Virginia and West Virginia, at their last sessions, invested a commission, composed of prominent gentlemen in each State, with the power to transfer the franchise of the Covington and Ohio Railroad Company to such persons as would make the most favorable propositions for the speedy construction of the work. In May last these commissioners entered into certain contingent agreements with gentlemen in New York, of the highest personal and financial positions, who immediately sent one of their number to Europe to make the necessary financial arrangements. The subsequent political and monetary complications in that country have retarded their operations; but now there is every reason to hope that in a short time those arrangements will be completed, and that the work will be energetically pressed forward. Should there, however, be a failure in these arrangements, and should the Commissioners not succeed in getting competent parties to take the work, so vital is the interest of this company in this great enterprise that your board will regard it as the duty of the Directors of the Company to ask the stockholders to take into consideration the propriety of themselves undertaking a work, without the completion of which your road must remain a merely local one."

In conclusion, the President says: "The general condition of the roadway is good; your rolling-stock is in excellent condition. You have on hand a good supply of wood, and a fair supply of other necessary materials. Several of your depots are rebuilt, and others will be in the course of this fiscal year. We think that your revenues will increase considerably this year, and we feel assured that the expenditures will be much less. With an improvement in the condition of the country your property will become as valuable as it ever was."

IMPROVEMENT OF THE SOCIAL CONDITION OF YOUNG MEN.**BY VERRANUS MORSE, M.D., NEW YORK.***

Society is required by the Gospel rule to place the means of personal advancement within the reach of all its members. The same rule teaches it to value men according to their merits, rather than their success or the position or merits of their ancestors. The theory of our national government enforces the same precepts. Self-interest, also, which has more influence than Gospel rules or governmental theories with some communities, as well as individuals, requires and teaches the same.

If society will discharge these obligations, young men may work their way up from the lowest to the highest social positions. Those born in poverty may accumulate riches. The sons of the ignorant and debased may come to excel in literary culture, refinement and Christian virtues, and thus become good and useful citizens, and reach the position which good citizenship confers.

It is true no improvement can be made, no elevation reached without effort; neither wealth nor knowledge nor virtue nor power comes unsought. By labor and care they are acquired, and by the same retained; but youthful ambition, aided by youthful vigor and zeal, is willing to accept of these conditions, and go forth to its life-work, relying on society's obedience to these thrice-enjoined demands.

But society disobeys the divine injunction; it disregards the national theory; it neglects its own interests. To qualify young men for high social positions certain acquirements are necessary;—a good moral character is one of these. Certain others, though they may be desirable, are not indispensable;—wealth is one of this class. Those who are destitute of these indispensable acquirements, however well they may be supplied with those that are not such—those whose characters are bad, however much wealth they may possess, cannot be allowed to occupy a ruling position in society without degrading it. Qualifications that are not essential cannot be safely substituted for those that are. Therefore, society should guard itself against tolerating such substitutions, and should guard young men against the danger of losing or neglecting these essential acquirements while seeking those that are not essential.

How does it discharge this duty? It shows young men that wealth is the key which most readily opens the jealously-guarded doors of exclusive society, and the social consideration which it confers induces many to seek it, even at the risk of ruin to the moral character. The facilities for acquiring wealth are greater in cities than in rural districts. There is a demand for labor and skill and intellect in the great commercial and manufacturing centres, and multitudes leave their homes in the country, and crowd into these centres. In doing this, they resign the social privileges and advantages of their own home circle, and trust society to make good the sacrifice. How does it execute this trust? Does it offer them

* Delivered before the Eleventh Annual Convention of the Young Men's Christian Associations of the United States and British Provinces, at Albany, June 5th 1866.

safe substitutes for the homes and companions they have thus left! No. Although they may be virtuous, intelligent and refined, and though they are laboring for the good of the community, and, at the same time, to acquire that which will secure for themselves the respect of all classes, and though society knows that those of them who are successful will in a few years, be honored and influential citizens, yet, until they win success, it chooses to treat them as strangers seeking subsistence, or adventurers in pursuit of fortune; and no domestic circle capable of throwing a cheering, refining, and elevating influence around them will receive them when the toils of the day are over, but they are compelled to depend for companionship upon those who will corrupt their morals and debase their manners; upon dissipated young men, who have, perhaps, gone out, like themselves, from happy firesides, with high hopes and spotless characters, but have fallen into the snares or yielded to the temptations to which they are now exposed. With such companions they are compelled to mingle, in banks, stores, and work shops; and with such they are crowded together in lodging-rooms and boarding-houses, the virtuous and the vicious, the learned and the ignorant, the refined and the vulgar, standing at the same desk, working at the same bench, sitting at the same table, occupying the same room, and sleeping together in the same bed. In boarding-houses, which small salaries compel mechanics and young clerks to occupy, the rooms, unreachd by gas-pipes or furnace flues, are cold, dimly lighted, scantily furnished, and badly cared for; and as they contain two or three or more beds, and the occupants have no choice in the selection of fellow-occupants, it often happens that young men brought up in comfort and refinement are compelled to lodge with those whose systems are saturated with whisky, tobacco juice, and foul diseases, and whose minds are still more impure than their bodies. In such rooms, thus occupied, there is but little quiet thought or study, while there is much cigar-smoking, and vain and lewd conversation. A few weeks of such intercourse is sufficient to benumb the moral sensibilities, and prepare young men of no thoroughly fixed principles to accept invitations to the theatre, the concert saloon, or other places of low amusement, where they may be induced to take their first step in vice, from a feeling that they should not be entirely ignorant of what others seem so well versed in. If they turn to the Church for safe companions, they will find that young men, fresh from the homes and the churches of their childhood, nowhere feel such utter loneliness, such complete isolation, as in the midst of a city congregation; that nowhere does it require stronger efforts to keep tears of sadness from their eyes, than in a city church. Week after week they go in and out, and no one greets them, no one notices them. Sad and discouraged, they try others, with similar results, until, at last, they desert the sanctuary altogether, or fall into a vagabondizing way, wandering about from one church to another, looking for celebrated preachers, artistic music, strange doctrines, or strange architecture.

And they are not only coldly neglected and virtually excluded from every place capable of exerting a good influence over them; they are not only, by the smallness of their salaries, subjected to physical discomfort and suffering, and the consequent temptations, but, as if to insure their destruction, seductive establishments are provided, whose whole influence, whose sole object is evil, whose only occupation is to tempt, entice, and

ruin the unwary, and whose success is measured by the losses and injuries they are able to inflict on their victims. Such is the social ordeal through which all must pass who, inexperienced and unaided, seek employment in our cities. Yet it is an ordeal which benefits none, but injures all and ruins many. It is as though every one who came to the city, from the pure air of the mountains, should, lest he might have the seeds of disease in his system, be shut up every night in the wards of a fever hospital, thus exposing him to the contagion of the deadly typhus, and so endangering his own life and the lives of those he comes in contact with during the day.

How, then, shall we rescue young men from this low pestilential social condition, where society quarantines them until they are disabled by flailing wrecks, and then cuts them adrift, to shipwreck in their turn others that may come after them? Taking up their residences in cities, they need the sympathy and counsel of true friends. If left to grope their way alone, they may, by one false step, fall, to rise not again. To furnish them such friends and counsellors, Young Men's Christian Associations were organized. And to reach them with the least possible delay, each association should have cards in all the depots and hotels in the place where it is located, inviting them to its rooms. By such means the boarding-house committees might secure the opportunity of assisting many to select boarding-houses managed in accordance with Christian principles, and occupied by those with whom they might safely associate.

Every Association should have an employment committee, whose members should have the acquaintance and confidence of business men. This committee should assist young men who are out of employment, or in business of an immoral character or conducted on immoral principles, to find employment where they would not be in danger of forming bad habits, through the example or influence of their employers, fellow-clerks, or workmen.

Young men should be induced, if possible, to join the Association and engage in its work. They would thus become associated with moral and religious young men, whose friendship would cheer them and whose counsel would profit them. They would also have the advantages of lectures, literary classes, and social and devotional meetings for their evenings; and cheerful reading-rooms, well supplied with useful and interesting books, papers, and periodicals for their otherwise unoccupied hours. And the result would be social and intellectual improvement, moral elevation, and increased self-respect.

The Associations should have members in attendance at their rooms, capable of interesting young men in conversation, and of leading them to observe and think and judge for themselves.

There should also be a Church committee in every Association, which should have members in every church in the place. It should be the duty of this committee to look after young men—strangers—coming to their respective churches, to speak to them, to introduce them to their pastors and others, and to invite them to join the Bible class, or, if qualified, to become teachers in the Sunday school.

These are means capable of rescuing many from destruction, but they are only temporary agencies, to be used until society is prepared to correct its false teachings and remedy their disastrous consequences. We cannot protect young men altogether by watching and guarding them; if

we attempt it, we shall often be obliged to say of one and another, in the language of the son of a prophet, "As thy servant was busy here and there, he was gone"—gone to the house of the tempter, gone to return no more!

It is not the whole of our mission to be prepared by our committees and our members to seek out young men and shield them from the temptations to which they are exposed by those who are ordained to the work by society itself, sometimes perhaps by its negligence, but often by specific contract. Neither is it our ultimate aim to secure concessions or gratuities, but justice; it is not to induce society to imperil its own safety for others, but to do its duty to itself. We do not ask it to endow penitentiaries and asylums to restrain and elevate young men, but we do ask it to cut down the trees of evil fruitage which it so diligently cultivates for their ruin. We do ask it to shut up gambling, concert, and drinking-saloons, and all similar demoralizing agencies, which make penitentiaries and asylums necessary. It is vain to say the appetites and passions of young men will have these places. If so, why is so much expense incurred to make them attractive? If young men cannot be kept out, why make such expensive efforts to get them in? No, it is the unhallowed appetites and passions of landlords and proprietors for unjust gains that will have them. It will be said that young men must have amusement and recreation; true, but amusement and recreation need not and does not mean dissipation. Gymnasiums need not be appendages of liquor-saloons, and literary entertainments may be free from the vulgarity and profligacy of the theatre.

We know that thousands of young men come to our cities every year with fair prospects, and in a few years many of them are found in low haunts of dissipation, prison-cells, or drunkards's graves. But this is not because they are particularly prone to vicious practices, but because evil and designing men and women are allowed to do all they can to debase and ruin them while they are yet strangers, and ignorant of the forms and disguises which vice readily assumes in all great cities. They come prepared to see wickedness and meet temptation, but they expect to be able to avoid the one and resist the other; and so they would be if vice always appeared in its own proper character, but such is not the case, and here is the danger. If they can be induced to enter a gambling-house, they are not made acquainted at first with the vileness which it fosters or the villainies which it generates, but they are introduced to men of influence in social and political circles, and to the sons of wealthy men who associate with the most fashionable families, and they are led to believe that they have found a better class of associates, that they are really improving their social condition; and, perhaps, they never awake to a sense of their danger until they are over the precipice and falling, crushed and bewildered, from one jagged rock to another. When they have fallen to a certain level, society has institutions to take charge of them. When they become thieves, robbers, and forgers, it has the penitentiary. When they become paupers, the almshouse. When assassins, the gallows; and when they die, the potter's-field. In each of these cases they become burdens, and, while they live, useless members of society. Would it not be better for society to throw its protecting arms around them while they are yet standing erect in their integrity? Not wait for them to fall over its

own stumbling-blocks. Would it not be better for it to make an effort to keep them moral and useful while they are so, rather than to wait until they fall into criminal habits, and then be obliged to make a much greater effort to protect itself from their depredations?

Many young men spend their evenings in billiard-saloons and theatres, because they have no comfortable place to stay at home. The whole salary of many, now, would not board and lodge them as well as their employers board and lodge their domestic servants. Let them receive in addition to their present salaries what their employers pay for sustaining penal and reformatory institutions, made necessary by the demoralizing influences to which they are exposed by inadequate salaries, and they would be able to secure comfortable rooms where they could read, write, study or think, with no one to molest them, and multitudes would thus be kept from social and moral degradation. Would it not be more in accordance with the teachings of Christianity for the strong men who have themselves escaped the breakers—to send out the life-boat to rescue those who are still exposed; not wait until they go down for the last time, then commence their pious search for the dead bodies, that they may send them home to their sorrowing friends?

Now, can any one deny that it is our duty to ask, nay, to demand that young men, coming to our cities to engage in business, shall not be neglected and left to ruin, simply because they are strangers and yet fortuneless, but that they shall receive such treatment as their moral character, their manners, and their education deserve? Such treatment is required not only for their social but also for their moral and spiritual advantage; and society is under a moral obligation, not only to them, but to itself, to render them such treatment; and these obligations are readily acknowledged, but they are almost universally neglected. Excuses are made, difficulties are discovered, dangers are anticipated, but there is not a single difficulty, a single danger in the way which a resolute determination to do right could not easily remove.

It is for the interest of every man who employs another to know something of his character. Every merchant should know where his clerks live and how they spend their time; and if he finds that they have been fitted by their home training to associate with virtuous and refined families, let him grant them the privilege of associating with his—provided his is of that class. If his clerks are so numerous that his family would be discommoded if they were permitted to call at their own convenience, let him set apart an evening every month, or oftener, for their reception. They should be treated as branches of his own family.

If each one who employs young men will do this, the work which looks so formidable when viewed as a whole, will be easily accomplished when thus divided among the thousands of employers. And the condition of young men will be improved, the safety of property intrusted to their care will be increased, and the moral purity of society will not be endangered; nay, society itself will be improved, for, whatever elevates young men, elevates society, and whatever degrades them, degrades it, for though it has many members, it is but one body, and if one member suffers the whole body suffers with it. Let it become the custom for merchants to receive their clerks into their families, and they will select them with reference to character as well as ability; and when young men find that

virtue as well as talent is needed to insure success; the inducement to avoid evil company and evil habits will be increased, and the counting-house will come not only a school for business discipline, but also for moral training.

It is said, and well said, that families must exercise great caution in regard to the character and condition of those they receive into their sacred circles; but who does not know that the dissipated son of the wealthy banker is admitted, unquestioned, into the best society, while the poor clerk is allowed to groan unheeded beneath the mighty burden of caution which society heaps upon him with unsparing hand? But let him become successful and wealthy merchant, and Caution will fold up its tent like the Arabs, and silently steal away, even though, in the meantime, his moral sensibilities may have become blunted, his manners rude, and his habits irregular; even though his wealth may have been acquired by some bold stroke—no one caring to inquire how—yet, if his account stands good at the bank, if he can count his millions, the stately doors of polished society open as blandly to his touch as the meek-eyed violet to the morning sun.

This, then, is what we complain of, and what we have a right to complain of, that society discriminates in favor of wealth, regardless of character, and thereby injures itself in every part. The sons of the poor learn to neglect virtue, if by so doing they can gain wealth; and the sons of the wealthy disregard it, since it is not needed for their social advancement. We do not wish to charge society with the design of being untrue to itself or unjust to any, but it has adopted and is cultivating a system composed of the neglect of positive obligations, and the commission of positive injustice—a system calculated to undermine the moral character of every young man, whatever his circumstances may be, who goes out from his father's house to engage in the business of life—a system repugnant to its own best interests and every principle of Christianity. Shall we, then, as Christian Associations, remain silent and inactive? No! It is our duty, as young men, to stand together, like the Roman phalanx, protecting each other with their overlapping shields, not simply that we may be at rest, safe from every assaulting missile, but that we may move forward, unyielding and resistless, until society shall learn to treat young men as justice and Christianity dictate, and cease to authorize or tolerate their temptation as a business.

Then, thousands and thousands who never can be reached by the direct efforts of our organizations, who never can be induced to enlist under our banners, will rise to a higher level, and society itself will be purified and elevated.

CHARLES G. COLBY, A.M.

The subject of this sketch was born in the city of Rochester, N. Y., on the 19th of December, 1829, and died in the city of New York on the 30th of October, 1866, in the 37th year of his age. In the brief space allotted to his life he accomplished much deserving of remembrance, and which will be valued for intrinsic worth. Of his boyhood the writer knows

nothing, but the evidences are apparent that he had received an excellent training, both moral and intellectual. At the early age of 19 he graduated at the Wesleyan University, Middletown, Conn., and shortly afterwards became a teacher of youth. Still later we find him delivering lectures on astronomy, a science which he fully comprehended and passionately loved. In 1850 he was engaged as an assistant with Prof. Bond, of the Cambridge Observatory. While here he was employed in calculating the eclipses for 1851, the results of which were published with appropriate diagrams in Harper's Magazine for July of that year. He also wrote an article on "Telescopes" for the New York Independent, which at the time attracted considerable attention among scientific men. In the latter part of 1851 he removed to New York, where he was employed, first in the office of the American Railroad Journal, and soon after became assistant to Dr. R. S. Fisher, who was then engaged in the preparation of his "Statistical Gazetteer of the United States," which was published by T. H. Colton early in 1853. The "American Statistical Annual," published in the same year, was the joint production of Dr. Fisher and Mr. Colby. Subsequently he went into the office of "Hunt's Merchants' Magazine" as assistant editor, and there remained until on the death of Mr. Hunt, the property was transferred to other hands. His next employment was in writing the description and statistical letterpress for "Morse's Geography of the World," "Morse's Diamond Atlas," (in 2 vols.), and several smaller works. He also wrote a number of articles on the city and State of New York for the "Encyclopædia Britannica" and several for "Appleton's American Cyclopædia." In 1861 he removed to Boston, where he was engaged on the Boston Commercial Bulletin. Ill-health now compelled him to intermit his labors and seek a more congenial climate than he found in New England. He again came to New York in 1864, and here remained until the time of his death, employing himself in many useful labors. Never a strong man, he succumbed to an attack of inflammation of the lungs after an illness of five days. His remains were taken to Brockport, near his native place.

PETROLEUM IN MIDDLE TENNESSEE.

We find the following letter from Professor Winchel in a late number of the *Mining and Manufacturing Journal* of Pittsburg :

It may interest some of your readers to ascertain some definite facts in reference to the petroleum belt stretching along the eastern border of the Highland river, of Tennessee, from Wolf Creek to McMinnville. I offer, therefore, a summary of information obtained from observation and other sources.

The valley of the Calfkiller Creek, a tributary of Cane Fork, contains some old salt wells, which have a history not a whit less remarkable than that of the "Old American Well," near Burksville, in Kentucky. About three miles north of Sparta, in White county, is a well, known throughout the region as the "Great

Burning Well." I have seen affidavits signed by seven different persons, and certified by the clerk of White county court, to the following effect:

That the Great Burning Well was bored for salt somewhat over thirty years ago, but when down to the usual depth a dark and strong smelling substance burst forth with great violence, throwing the tools above the derrick, which was seventy feet high, and in such abundance as to prevent the manufacture of salt from the brine obtained. This substance, which was evidently petroleum, flowed upon the surface of the creek and floated down the stream. At length it became ignited, and the flames ascended in an unbroken sheet to such a height as to illuminate the country for many miles, enabling people to read as by daylight.

The accounts assert that it continued to burn at the mouth of the well for many months, and was finally extinguished by the efforts of the proprietor. Some controversy arising in reference to the property, the well was plugged with a tallow bag, and subsequently filled with sediments from the stream. A company are now at work reaming out the well, expecting that the result of re-opening it will be similar to that experienced with the old American well. The same farm embraces another well which is said to have burned in a similar way; and half a mile distant, on another farm, is still another from which the oil burst forth with great violence and in great quantity. This was also filled, and is now covered by a mound of earth; but the oil is still oozing slowly.

These facts furnish an exact parallel with the great Burksville well; and it is worth while to inquire as to the topographical and geological situation of the locality. This inquiry leads to the discovery that the hope of success in re-opening the Great Burning Well is justified no less by the reasoning of science than by the experience of the past. These wells are bored in a formation which, like that of Venango county, Pennsylvania, lies immediately above the celebrated Black Slate, so prolifically charged with bitumenized matters that it has been regarded as the mother rock of most of the oil produced in the country.

As a further parallel, this formation is of a sandy and porous nature, so as to be fitted for the reception of the products eliminated below. Moreover, it is even cavernous to a greater extent than the Pennsylvania oil rocks; and is covered by a series of limestone strata practically impervious to the escape of the oil throughout most of their extent.

The formation in which the oil accumulates, and which is so favorably circumstanced for productiveness, has been styled by Prof. Safford the "Silicious Group," and the limestones above belong to the mountain limestone series. Fossils collected by myself, or placed in my hands by Prof. Safford, indicate that the Silicious group belongs to a more recent geological age than the Venango county shales and sandstones, but the conditions of oil accumulation have no dependence on this fact. The Silicious group, in fact, corresponds to the Keokuk and Warsaw limestones, and is overlaid by the representatives of the St. Louis and Kaskaskia limestones—all members, in ascending order, of the great mountain limestone series of the West.

The valley of the Calfkillar is not the only region in which the Silicious group has proved productive in oil. The wells of the Glasgow region in Kentucky are all bored in this group, and many of them terminate in it—a few pass-

ing into the Black. Slate, and others descending to the Silurian strata. Mc-Minnville is located upon the same group, and oil to some extent has already been obtained at that place. On Spring Creek also, in the southern part of Overton county, are three wells bored in the same group. Two of these are forty feet deep, and produce 150 barrels each. The third is 480 feet deep, and produces better than either of the others. Unless I am misinformed, some of the wells on Wolf Creek occupy the same geological position.

Geologically and experimentally this region is proved to be one of great interest and promise; and during the present lull in petroleum matters, our stirring men of oil will be glad of some occasion to arouse their drooping spirits.

A. WINCHELL.

University of Michigan, Ann Arbor, Oct. 25, 1866.

DEPARTMENT REPORTS.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
WASHINGTON, Dec. 3, 1866. }

In conformity with the requirements of law, the Secretary has the honor to make the following report;

In his report under date of the 4th of December, 1865, the Secretary estimated, according to the data furnished him by this Department and by the other Departments, that the expenditures of the Government for the three-quarters of the fiscal year ending June 30, 1866, would exceed the receipts \$112,194 947 20. The result was widely different. The receipts exceeded the estimates \$59,905,905 44; the expenditures fell short of the estimates \$260,529,35 30. The following statement exhibits the items of increase of receipts and decrease of expenditures in comparison with the estimates:

Statement of the estimated and actual receipts and expenditures of the United States from October 1, 1865, to June 30, 1866.

RECEIPTS.			
	Estimated.	Actual.	Excess of receipts.
Customs.....	\$100,000,000 00	\$122,037,068 53	\$22,037,068 53
Lands.....	500,000 00	532,140 40	32,140 40
Internal revenue.....	175,000,000 00	212,607,927 77	37,607,927 77
Miscellaneous	80,000,000 00	48,256,125 99	31,743,874 01
Direct tax.....	.....	1,942,642 88	1,942,642 88
	<hr/>	<hr/>	<hr/>
Cash balance Oct. 1, 1865.....	\$205,500,000 00	\$205,405,905 44	\$94,094,094 56
	67,158,515 44	67,158,515 44	
	<hr/>	<hr/>	<hr/>
	\$272,658,515 44	\$462,564,420 88	
EXPENDITURES.			
	Estimated.	Actual.	Excess of estimates.
Civil service	\$82,994,052 88	\$80,465,500 53	\$2,528,552 35
Pension and Indians.....	12,256,780 94	11,061,285 79	1,195,495 15
War Department	207,788,770 57	119,030,464 59	88,758,305 97
Navy Department	35,000,000 00	26,802,716 21	8,197,283 79
Interest on public debt	96,818,868 75	96,804,200 19	14,668 56
	<hr/>	<hr/>	<hr/>
Deduct deficiency in estimate.....	.....	.....	\$200,000,000 00
for interest on public debt.....	.....	.....	80,201 44
	<hr/>	<hr/>	<hr/>
	\$464,853,402 64	\$361,291,227 24	\$103,562,175 40

RECAPITULATION.

Actual receipts, including cash balance.....	\$462,564,420 88	
Estimated receipts, including cash balance.....	872,858,515 44	
Excess of receipts over estimates.....		\$39,905,905 44
Estimated expenditures.....	484,853,462 64	
Actual expenditures.....	284,824,227 34	
Actual expenditures less than estimated.....		200,529,235 80
		<u>\$290,485,140 74</u>

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1866 :

Balance in Treasury, agreeable to warrants, July 1, 1865	\$858,309 15	
to which add balance of sundry trust funds not included in the above balance	2,217,732 94	
Opening balance, July 1, 1865, including trust fund.....		\$3,076,042 09
Receipts from loans.....		712,851,553 05
Receipts from customs.....	179,046,651 58	
Receipts from land.....	665,091 03	
Receipts from direct tax	1,974,754 12	
Receipts from internal revenue ..	209,226,513 42	
Receipts from miscellaneous sources.....	67,119,300 91—	558,082,620 06
		<u>\$1,272,960,215 80</u>
Redemption of public debt.....	\$680,821,725 61	
For the civil service	41,056,961 54	
For pensions and Indians ..	18,962,416 91	
For the War Department	284,449,701 83	
For the Navy Department	43,834,118 52	
For interest on the public debt.....	183,067,741 69	
	<u>680,750,940 48—</u>	<u>1,141,072,666 09</u>
Leaving a balance in the Treasury on the first day of July, 1866.....		\$182,887,549 11

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1866 :

RECEIPTS.

Balance in Treasury, agreeable to warrants, July 1, 1866.....	\$182,887,549 11	
Receipts from loans.....	174,011,622 24	
Receipts from customs.....	50,843,774 24	
Receipts from lands.....	228,899 72	
Receipts from direct tax.....	340,454 89	
Receipts from internal revenue	99,166,993 98	
Receipts from miscellaneous sources	7,981,764 24—	158,561,286 87
		<u>465,460,557 92</u>

EXPENDITURE.

For the redemption of the public debt	242,782,833 44	
For the civil service	11,898,786 44	
For pensions and Indians.....	11,797,975 66	
For the War Department	12,882,214 03	
For the Navy Department	7,878,609 17	
For interest on the public debt.....	82,865,899 99—	322,041,708 72
Leaving a balance in the Treasury on the first day of Oct. 1866, of.		<u>\$142,418,789 19</u>

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year ending June 30, 1866 :

Amount of public debt, June 30, 1865.....	\$2,682,593,026 52	
Amount of cash in Treasury.....	858,309 15	
Amount of public debt, June 30, 1865, less cash in Treasury		—\$2,681,734,717 36
Amount of public debt, June 30, 1866.....	\$2,752,425,879 21	
Amount of cash in Treasury.....	122,887,549 11	
Amount of public debt, June 30, 1866, less cash in Treasury.....		<u>2,629,538,330 10</u>
Net decrease....		<u>21,196,287 26</u>

This decrease was caused as follows, by payments and increase of cash in Treasury :

Bonds, 6 per cent, acts July 21, 1841, and April 15, 1842.....	\$14,129 77
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861.....	1,210 00
Bonds, 5 per cent, act September 9, 1850 (Texas indemnity)	222,000 00
Treasury notes, 7-30, act July 17, 1861	250,750 00
Certificates of indebtedness, 6 per cent, act March 1, 1862	22,221,000 00
Treasury notes, 5 per cent, 1 and 2 year, March 3, 1863	22,554,429 00
Compound interest notes, 6 per cent, act June 30, 1864	24,742,900 00
Bonds, 5 per cent, act March 3, 1864	1,151,000 00
United States notes, acts July 17, 1861, and February 12, 1862	200,442 00
United States notes, acts Feb. 25, July 11, 1862, and March 3, 1863.....	22,062,700 00
Postal currency, act July 17, 1862	2,254,707 25
Cash in treasury, increased	1-2,000,200 00
Gross decrease.....	\$222,525,256 6

From which deduct for increase, by—

Bonds, 6 p c, acts July 1, 1862, and July 2, 1864, issued to Central Pacific RR. Co., &c., interest payable in lawful money	\$4,734,840 00
Treasury notes, 7-30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money	124,541,120 00
Temporary loan, 4, 5 and 6 per cent, acts July 11, 1862, and June 30, 1864.....	21,450,125 25
Gold certificates, act March 3, 1863.....	4,922,725 00
Fractional currency, act March 3, 1863.....	10,712,100 00
Bonds, 6 per cent, act July 17, 1861.....	\$145,000 00
Bonds, 6 per cent, act March 3, 1864.....	3,892,500 00
Bonds, 6 per cent, act June 30, 1864.....	8,211,000 00
Bonds, 6 per cent, act March 3, 1865.....	102,542,500-115,732,000 00
Gross increase.....	207,522,571 25
Net decrease.....	\$21,192,675 35

The following statement exhibits the items of increase and decrease of the public debt for the four months from June 30, 1866, to October 31, 1866 :

Amount of public debt, June 30, 1866.....	\$2,782,425,879 21
Amount of cash in Treasury.....	132,887,540 11
Amount of public debt, June 30, 1866, less cash in Treasury	\$2,650,538,339 10
Amount of public debt, Oct. 31, 1866	\$2,681,620,906 34
Add amount of old funded and unfunded debt included in debt of June 30, 1866, not in statement	114,115 43
Amount of cash in Treasury.....	\$2,681,735,021 77
Amount of public debt, Oct. 31, 1866, less cash in Treasury	\$2,551,424,124 20
Net decrease.....	\$20,114,215 10

Which decrease was caused as follows, by payments :

Bonds, 6 per cent., act July 21, 1841, and April 15, 1842.....	\$14,500 00
Bonds, 6 per cent., act Jan. 23, 1847.....	1,672,450 00
Bonds, 6 per cent., act March 31, 1848.....	617,400 00
Bonds, 5 per cent., act Sept. 9, 1850, (Texas indemnity)	175,000 00
Bonds, 5 per cent., act March 3, 1864, (Ten-forties)	149,750 00—
Treasury notes, 6 p. c., acts Dec. 23, 1857, and Mar. 2, 1861.....	2,000,700 00
Temporary loan, 4, 5 and 6 per cent., acts Feb. 25, March 17, July 11, 1862, and June 30, 1864	6,150 00
Certificates of indebtedness, 6 per cent., acts March 1, 1862, and March 3, 1863	22,221,000 00
Treasury notes, 5 per cent., one and two year, act March 3, 1863	22,554,429 00
Treasury notes, Seven-thirty, act July 17, 1861.....	11,200 00
Compound interest notes, 6 per cent., act June 30, 1864.....	10,500,000 00
Treasury notes, Seven-thirty, acts June 30, 1864, and March 3, 1865	22,257,200 00
United States notes, acts July 17, 1861, and Feb. 12, 1862.....	2,000 00
United States notes, acts Feb. 25, 1862, July 11, 1862, and March 3, 1863.....	10,001,700 00
Postal currency, act July 17, 1862.....	222,000 00
Gross decrease	\$222,525,256 6

From which deduct for increase of debt and decrease of cash in Treasury :

Bonds, 6 per cent., July 17, 1861.....	\$7,050,000 00
Bonds, 6 per cent., act March 3, 1865.....	101,732,500 00

Bonds, 6 per cent., acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, &c., interest payable in lawful money.....	3,840,000 00	
Gold certificates, act March 3, 1863	183,800 00	
Fractional currency, acts March 3, 1863, and June 31, 1864.....	1,208,165 12	
Cash in Treasury, decreased.....	2,560,588 49—	109,538,103 61
Net decrease		\$99,114,908 90

The following statement exhibits the items of increase and decrease of the public debt from the highest point August 31, 1865, to October 31, 1866 :

Amount of public debt August 31, 1865, as per statement.....	\$2,845,907,626 56	
Amount of old funded and unfunded debt.....	114,115 48	
Amount of cash in Treasury.....		\$2,846,021,742 04
		88,219,055 12
Amount of public debt August 31, 1865, less cash in Treasury.		\$2,757,803,686 91
Amount of public debt Oct. 31, 1866, as per statement.....	2,681,626,966 84	
Amount of old funded and unfunded debt.....	114,115 48	
	2,681,751,081 82	
Amount of cash in Treasury	180,826,960 62	
Amount of public debt, October 31, 1866, less cash in Treasury.....		2,551,424,121 20
Net decrease.....		206,379,565 71

Which decrease was caused as follows by payments and increase of cash in Treasury :

Bonds, 6 per cent, act January 23, 1847.....	\$1,672,450 00
Bonds, 6 per cent, acts July 21, 1841, and April 15, 1842	144,039 77
Bonds, 6 per cent, act March 31, 1848.....	617,400 00
Bonds, 5 per cent, act March 3, 1864.....	1,700,750 00
Bonds, 5 per cent, act September 9, 1850, (Texas indemnity).....	455,000 00
Treasury notes, 6 per cent, acts Dec. 23, 1857, and March 2, 1861.....	8,200 00
Temporary loan, 4, 5 and 6 per cent, acts February 25, 1862, and June 30, 1864 ..	62,146,714 27
Certificates of Indebtedness, 6 per cent, acts March 1, 1862, and March 3, 1863 ..	84,911,000 00
Treasury notes, 5 per cent, one and two years, act March 3, 1863.....	81,000,000 00
Treasury notes, Seven-thirty, act July 17, 1861	295,100 00
Compound interest notes, 6 per cent, act June 30, 1864.....	68,512,020 00
Treasury notes, Seven-thirty, act June 30, 1864, and March 3, 1865.....	105,985,700 00
United States notes, acts July 17, 1861, and February 12, 1862.....	184,610 00
United States notes, acts Feb. 25, 1862, July 11, 1862, and March 3, 1863.....	42,830,174 00
Postal currency, act July 17, 1863	3,029,789 63
Suspended requisitions.....	2,111,000 00
Increase of cash in Treasury.....	\$405,553,997 67
	42,108,905 49
Gross decrease.....	\$447,662,903 16

From which deduct for increase :

Bonds, 6 per cent, acts July 17 and Aug. 5, 1861.....	\$114,750 00
Bonds, 6 per cent, act March 3, 1864	3,882,500 00
Bonds, 6 per cent, act June 30, 1864.....	8,211,000 00
Bonds, 6 per cent, act March 3, 1865.....	205,281,000 00
Bonds, 6 per cent, acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, &c., interest payable in lawful money	8,634,000 00
Fractional currency, acts March 3, 1863, and June 30, 1864	4,273,007 45
Gold certificates, act March 3, 1863	10,806,980 00
	\$241,283,237 45
Net decrease.....	\$206,379,565 71

These statements are in the highest degree encouraging. They are conclusive evidence of the greatness of our resources, and they clearly indicate the patience of the people under self imposed burdens, and their unwillingness that this debt should be a perpetual uncumbrance pon the country.

It is not expected, nor is it perhaps desirable, that the same rate of reduction should be con inued. A considerable diminution of taxes was effected by the amendments of the internal revenue law, at the last session of Congress. A further

diminution of internal taxes, and a modification of the tariff, which will doubtless lead to a reduction of customs duties on many articles, will be required, in order that production may be increased and new life infused into certain branches of industry that are now languishing under the burdens which have been imposed upon them. But, after the proper and necessary reductions shall have been made, the revenues will doubtless be sufficient, if the Government shall be economically administered, to pay the current expenses, the interest on the public debt, and reduce the principal at the rate of from four to five millions per month. In order that this may be done, however, there must be no additional donations to railroads, no payments but in the fulfillment of contracts, and no unnecessary expenditure of money for any purpose whatever. With proper economy in all the Departments of the Government, the debt can be paid by the generation that created it, if wise and equal revenue laws shall be enacted and continued by Congress, and these laws are faithfully enforced by the officers charged with their execution. That it is the will of the people that it should be paid, and not perpetuated, is clearly indicated by the favor with which its rapid reduction during the past year has been regarded. The idea that a national debt can be anything else than a burden—in which there are some compensations, but still a burden, a mortgage upon the property and industry of the people—is fortunately not an American idea. In countries in which the public expenditures are so heavy or the resources are so small that no reduction of their public debts is practicable, and where national securities become monopolized capital in the hands of moneyed aristocracies, who not only absorb the means, but give direction to the sentiment of the people, public debts may be regarded as public blessings; but no such fallacy will ever be countenanced by the free and intelligent people of the United States.

Nothing in our history has created so much surprise, both at home and abroad, as the reduction of our national debt. The wonder excited by the rapidity with which it was created is greatly exceeded by the admiration of the resolution of the taxpayers themselves that it shall be speedily extinguished. The conviction is becoming fastened upon the popular mind that it is important—for economy in the national expenses, for the maintenance of a true democracy in the administration of the Government, for the cause of good morals and of public virtue—that the policy of a steady annual reduction of the debt should be definitely and inexorably established. Nothing short of this, and that economy in the national expenditures, which will render it practicable, will reconcile the people to the burdens of taxation. A national debt must ever be a severe strain upon republican institutions, and ours should not be subject to it one day longer than is necessary. To the perpetuation of the existing debt of the United States there are also, it may be proper to remark, serious objections growing out of the circumstances under which it was created. Although incurred in a great struggle for the preservation of the Government, and therefore especially sacred in its character, its burdens are to be shared by those to whom it is a reminder of humiliation and defeat. It is exceedingly desirable that this, with other causes of heartburnings and alienation, should be removed as rapidly as possible, and that all should disappear with the present generation, so that there may be nothing in the future to prevent that unity and good feeling between the sections which are necessary for true national prosperity.

The Secretary regrets, notwithstanding the large reduction of the national debt, and the satisfactory condition, in other respects, of the National Treasury, that little progress has been made since his last report toward specie payments. The views presented by him in that report, although indorsed in the House of Representatives by a nearly unanimous vote, were not sustained by corresponding legislation. Instead of being authorized to reduce the paper circulation of the country, according to his recommendations, the amount of United States notes which he was permitted to retire was limited to \$10,000,000 for the six months ending October 12, and to \$4,000,000 per month thereafter. In the meantime, the reduction of these notes and of the notes of the State banks, has been nearly

balanced by the increase of the circulation of the National Banks; and specie commands about the same premium it did when the last Treasury report was prepared. Having been thus prevented from taking the first important step toward return to specie payments, the Secretary has mainly directed his attention to measures looking to an increase of efficiency in the collection of the revenues, to the conversion of interest-bearing notes into Five-twenty bonds, and to a reduction of the public debt. What has been accomplished in these respects, and what not already understood by the country, is explained elsewhere in this report. The Secretary has also deemed it to be his duty to use such means, within his control, as were, in his judgment, best calculated to keep the business of the country as steady as possible, while conducted on the uncertain basis of an irredeemable currency. To accomplish this, he has thought it necessary to hold a handsome reserve of coin in the Treasury. For doing so, he has been criticised by many very intelligent persons, some of whom have condemned the policy as involving a heavy loss to the country, in the way of interest; others have objected to it as a failure on his part to avail himself of means within his control for reducing the price of coin, and thus approximating specie payments; on the contrary, not a few have pronounced all sales of gold by the Government unwise, on the theory that if the coin received from customs, and not required for the payment of interest, should be permitted to accumulate until it should reach about the same proportion to the outstanding United States notes that, in former days, the coin in the vaults of well-managed banking institutions sustained to their immediate liabilities, specie payments might be resumed, without a reduction of the currency, and without regard to the condition of trade between the United States and other nations.

Under these circumstances, feeling sensible of the great responsibility of his position, the Secretary has deemed it safer and better for the country, to act according to the dictates of his own judgment, carefully regarding the condition of the markets and of the Treasury, rather than to take his direction from those who, however intelligent and able, were under no official obligations to the Government, and might be less accurately advised in regard to the actual state of its financial affairs. He has regarded a steady market as of more importance to the people than the saving of a few millions of dollars in the way of interest; and observation and experience have assured him that, in order to secure this steadiness in any considerable degree, while business is conducted on a paper basis, there must be power in the Treasury to prevent successful combinations to bring about fluctuations for purely speculative purposes. He has also been clear in his convictions that specie payments are not to be restored by an accumulation of coin in the Treasury, to be paid out at a future day in the redemption of Government obligations; but, rather by quickened industry, increased production and lower prices, which can alone make the United States what they to be—a creditor and not a debtor nation. These views explain the course that has been pursued with the gold which, during his administration of the Department, has come into the Treasury. He has permitted it to accumulate when the use or sale of it was not necessary for paying Government obligations, or to prevent commercial panics, or successful combinations against the national credit, and he has sold whenever sales were necessary to supply the Treasury with currency, to ward off financial crisis, or to save the paper circulation of the country, as far as practicable, from unnecessary and damaging depreciation. For making sales he alone is responsible. If, in conducting them, any favoritism has been shown, or if the interests of any particular class have been especially regarded, it has been without his knowledge, and in violation of his instructions. He has not the slightest reason to suppose, however, that they have not been conducted honestly, fairly and judiciously.

It may be hardly necessary for the Secretary to remark that his opinions have undergone no change in regard to the importance of a restoration of the specie standard, or the means necessary to effect it. He trusts, however, that he has not been understood as entertaining the opinion that a reduction of the currency

would of itself necessarily bring about specie payments, although the chief and essential means to effect the desired result. He regards a redundant legal tender currency as the prime cause of our financial difficulties, and a curtailment thereof indispensable to an increase of labor and a reduction of prices, to an augmentation of exports and a diminution of imports, which alone will place the United States and other nations on an equal and satisfactory footing.

In order that his views on this point may not be misapprehended, the Secretary trusts that he will be pardoned for referring (even at a risk of a repetition of what he has heretofore presented in other communications to Congress and in other ways to the country) to certain laws, well understood, but too often disregarded, which regulate international trade and control the movements of coin. We have traveled so far from the specie standard, and are also blinded in regard to our actual financial condition and our relations with other countries, by inflated and irredeemable currency, and by the exportation of our securities, that frequent recurrence to inexorable commercial and financial laws is necessary.

Ever since trade commenced between the people of different nations, gold and silver have been the only reliable and recognized measure of value and medium of exchanges. While in their internal trade other representatives of value have, to a greater or less extent, been used by all nations, money made of these metals has been pronounced by the judgment of the world the only currency possessing the attributes necessary for a uniform and universal circulating medium. From this judgement there is no appeal. Not only is it the true and universally acknowledged measure of value and medium of exchanges, but by its regulating flow, it indicates the condition and the results of trade between different nations. Water does not more naturally seek a level, than does specie flow from one nation to another for the payment of balances created by an unequal exchange of commodities. Trade between nations is generally and chiefly conducted by an exchange of their productions; but as these exchanges are never exactly equal, there are constantly occurring balances to be paid in something else; and, in their payment, nothing but the precious metals is a legal tender. It is this necessity for paying balances in coin which regulates the trade of nations. It is this great commercial and financial law which makes the nation that sells more than it buys the creditor nation, and the nation that buys more than it sells the debtor nation, and recognizes no medium but coin in the payment of balances, that determines the question of the ability of the United States to resume and maintain specie payments. If the balance is in our favor, or if not in our favor, if the balance against us is so small that it can be paid without an exhausting drain upon our precious metals, specie payments can at once be resumed. Such, unfortunately, is not the fact. Notwithstanding our heavy exports during the past year (that of cotton having been 650,672,820 pounds, or nearly 1,600,000 bales, a quantity greater than our entire crop of the present year), the United States are largely a debtor to Europe.

A few facts will put us right on this point. Between the year 1848, when gold was first discovered in California, and the 1st of July, 1866, the product of the gold and silver mines of the United States was about \$1,100,000, nearly all of which has gone into the world's general stock; and it is not probable that the amount of gold and silver now in the United States is very much larger than it was eighteen years ago.

During the fiscal year ending June 30, 1866, the United States imported:

Foreign merchandise free of duty.....	\$38,381,739
Foreign merchandise paying duty.....	388,881,851
	<hr/>
	\$427,263,590

Of foreign merchandise there was re-exported:

Free of duty.....	\$1,897,187
Dutiable.....	9,494,253
	<hr/>
Total (mixed gold and currency value).....	11,891,440
Which, reduced to currency value, was equal to ...	10,552,282
	<hr/>
Total net imports foreign merchandise, valued in gold.....	\$417,011,37

Imports, specie.....	\$10,829,156
Of which there was re-exported.....	8,400,697
Net imports, specie	6,928,459
Total net imports, foreign merchandise and specie.....	\$428,975,036
During the fiscal year ending June 30, 1866, the United States exported	
domestic merchandise, currency value, \$468,040,903, reduced to gold	
value.....	\$332,322,085
Specie exported.....	82,648,874
Total domestic exports, valued in gold....	415,985,459
Apparent balance of trade, valued in gold.....	\$8,000,577

But these figures, taken from the reports of the custom houses, do not present the whole truth. For many years there has been a systematic under-valuation of foreign merchandise imported into the United States, and large amounts have been smuggled into the country along our extended sea coasts and frontiers. To make up for under-valuations and smuggling, and for cost of transportation paid to foreign shipowners, twenty per cent. at least should be added to the imports, which would make the balance for the past year against the United States nearly \$100,000,000. It is evident that the balances have been largely against the United States for some years past, whatever may have been the custom house returns. On no other ground can the fact be accounted for, that a very large amount of American bonds is now held in Europe which are estimated as follows, to wit :

United States bonds	\$350,000,000
State and municipal bonds ..	150,000,000
Railroad and other stocks and bonds. . .	100,000,000
	\$600,000,000

It is evident, from these figures, that the balances are against us, and, chiefly by the exportation of our Government bonds, are being temporarily and improvidently arranged ; temporarily, because a large portion of these bonds have been bought on speculation, and will be likely to be returned whenever financial troubles in the countries in which they are held shall make it necessary for the holders to realize upon them, or whenever satisfactory profits can be made by returning them, which will be when they nearly approach their par value in coin ; improvidently, because they are being purchased at very low prices, and because their exportation stimulates imports, and thus cripples home industry. Nothing is more certain than the fact that there can be no permanent resumption of specie payments in the United States until the balances between them and other nations shall be made easy by an exportation of commodities, including the products of the mines, equal at least to our importations, and until provision shall be made for returning bonds, or for preventing their return at unpropitious times. This state of things, it is conceived, cannot be effected without a change in our financial policy.

There being but one universally recognized measure of value, and that being a value in itself, costing what it represents in the labor which is required to obtain it, the nation that adopts, either from choice or temporary necessity, an inferior standard, violates the financial law of the world and inevitably suffers for its violation. An irredeemable, and consequently depreciated currency, drives out of circulation the currency superior to itself ; and if made by law a legal tender, while its real value is not thereby enhanced, it becomes a false and demoralizing standard, under the influences of which prices advance in a ratio disproportioned even to its actual depreciation. Very different from this is that gradual, healthy, and general advance of prices which is the effect of the increase of the precious metals. The coin which is obtained in the gold and silver-producing districts, although it first affects prices within such districts, following the course of trade, and in obedience to its laws, soon finds its way to other countries, and becomes a part of the common stock of the nations,

which, increasing in amount by the regular product of the mines, and in activity by the growing demands of commerce, advances the price of labor and commodities throughout the commercial world. Thus, the products of the American, Australian, and Russian mines tend first to advance prices in their respective localities, but the operation of trade soon distributes these products, and enterprise everywhere feels and responds to the increase of the universal measure of value. All this is healthful, because slow, permanent, and universal. The coin produced in any country will be retained there no longer than its production and sales keep the balance of trade in its favor. As soon as it becomes cheaper (if this word can be properly used in regard to the standard of value) in the country in which it is produced than in other accessible countries, or rather when it will purchase more in other countries (adding interest, the cost of transportation, duties and other necessary expenses) than in that in which it is produced, or when it is required to pay balances to other countries, it flows to them by a law as regular and as certain as gravitation. Hence, although the precious metals are produced in considerable quantities in but a few countries, they affect the prices in all. Not so with a paper currency, which is local in its use and in its influence. Its advantages, when convertible, are admitted; or, if convertible, although it swells the volume of currency, it rather increases enterprise than prices. Its convertibility prevents expansion, while its larger volume gives impetus to trade and creates greater demand for labor. But when a paper currency is an inconvertible currency, and especially when, being so, it is made by the sovereign power a legal tender, it becomes prolific of mischief. Then specie becomes demonetized, and trade is uncertain in its results, because the basis is fluctuating; then prices advance as the volume of currency increases, and require as they advance further additions to the circulating medium; then speculation becomes rife, and "the few are enriched at the expense of the many;" then industry declines, and extravagance is wanton; then, with a diminution of products, and consequently of exports, there is an increase of imports, and higher tariffs are required on account of the general expansion, to which they, in their turn, give new stimulus and support, while the protection intended to be given by them to home industry is in a great measure rendered inoperative by the expansion. This, notwithstanding our large revenues and the prosperity of many branches of industry, is substantially the condition of the United States, and the important question arises, What are the remedies?

With entire deference to Congress, the Secretary suggests that they are to be found—

First—In compelling the National Banks to redeem their notes at the Atlantic cities, or, what would be better, at a single city.

Second—In a curtailment of the currency to the amount required by legitimate and healthful trade.

Third—In a careful revision of the tariff, for the purpose of harmonizing it with our internal taxes—removing the oppressive burdens now imposed upon certain branches of industry, and relieving altogether, or greatly relieving, raw materials from taxes, in order that the product of labor may be enhanced and production and exportation increased.

Fourth—In the issue of bonds, payable in not over twenty years and bearing interest at the rate of not over five per cent., payable in England or Germany, to an amount sufficient to absorb the six per cent. bonds now held in Europe, and to meet the demand there for actual and permanent investment; and—

Fifth—In the rehabilitation of the Southern States.

First—The utility of compelling National Banks to redeem their notes at commercial centres, as well as at their own counters, is apparent. The object of Congress, in the establishment of the National Banking system was to furnish the people with a solvent currency of uniform value throughout the United States. The solvency of the notes of the National Banks is secured by a deposit of bonds with the Treasurer at Washington; but, as the Banks are scattered throughout the country, and many of them are in places difficult of access,

redemption of their notes at their respective counters is not all that is required to make them throughout the United States a par circulation. It is true that the notes of all National Banks are receivable for all public dues, except duties upon imports, and must be paid by the Treasurer in case the Banks which issued are unable to redeem them, but it will not be claimed that the notes of Banks, although perfectly solvent, but situated in interior towns, are practically as valuable as the notes of banks in the seaboard cities.

It may be urged that, to compel remote banks thus to redeem would be a hardship; but as very few well-managed banking institutions in the United States fail to keep accounts and balances in some of the Atlantic cities, this hardship would be found upon trial to be imaginary rather than real. But if it should be a hardship, it would be a necessary one, and the interests of the banks must bend to the interests of the people. Beside, without such redemption, there will be practically none at all, at least until specie payments are resumed; and when there are no redemptions there is always a constant tendency to inflation and illegitimate banking. The frequent and regular return of their notes is needed to keep the business of the banks in a healthy condition, and thus invariably proves no less advantageous to the stockholders than to the public. Unless the banks shall be compelled to redeem in United States notes, many of them will neither lend their influence in favor of a return to specie payments, nor be prepared for them when, without their agency, specie payments shall be brought about. If the determination of the question was left to the Secretary, all the banks would be required to redeem in New York, the acknowledged commercial metropolis of the Union. The designation of that city as the redeeming point for all National Banks would not only give absolute uniformity to their circulation, but would so facilitate the assorting and returning of notes that practical and general redemption would be enforced. It is certain that this will not be done under the existing provisions of the law; it is not certain that it will be, unless all banks shall be compelled to redeem at a single point. This might be objected to by the banks in other Atlantic cities on the ground that it would aggrandize New York at their expense. But New York is already the financial and commercial emporium of the Union. Most of the interior banks keep their chief balances in that city, because they are more available and valuable there than elsewhere, and in compelling all the banks to redeem at the metropolis of trade, Congress would be only yielding to an unwritten but controlling law to which statutes should conform. The course of trade compels, and will compel, those National Banks whose business is based upon the products of the country (and these must always constitute a majority) to keep their chief balances in New York, whether they redeem there or not. If exchanges between that city and other cities should be in favor of the latter, the redemption by their banks would be made at their own counters, and no sacrifice but that of local pride would be involved in their being required by law to redeem at the common centre. When New York shall be a debtor city to Boston and Philadelphia, the notes of the Boston and Philadelphia banks will go home, and not to New York for payment. What is required is an active, regular and actual redemption of the notes of all the National Banks. To effect this, local pride should be sacrificed and minor interests should be disregarded. What is said upon this subject by the Acting Comptroller of the Currency is fully endorsed.

The second remedy suggested is a curtailment of the currency.

The views of the Secretary upon the question of a reduction of the currency have been so frequently expressed, that it is only necessary now to consider whether the curtailment should be of the United States notes or of the notes of the National Banks. On this subject his opinions have undergone no change since he communicated them in his report as Comptroller of the Currency. Banks of issue, organized under State laws, have been in existence ever since the formation of the Government. By the decisions of the highest tribunals of the country, their constitutionality has been affirmed, and they have become so interwoven with the business of the country, and such large investments have

been made in them, that their destruction would involve consequences of a very serious character. Whether or not the country would have been more prosperous without them—whether the stimulus they have given to enterprise and the facilities they have extended to trade have or have not been counterbalanced by the artificial prices which they have created, and the actual losses which the people have sustained by the crisis they have occasioned, and by their suspensions and failures—it is too late to consider. When the National Currency Act was passed by Congress, State Banks were in full operation, and not less than four hundred millions of dollars were invested in them as capital. In some States, by judicious legislation and careful management, they had afforded a local circulation satisfactory and safe. In other States, where no reliable security, or insufficient security, had been required for the protection of the public, and their management had been confided to incompetent or dishonest hands, there had been numerous failures, and heavy losses had been sustained by the holders of their notes.

Soon after the commencement of the rebellion, it became apparent that a heavy national debt was to be created, the interest and principal of which could only be paid by a general system of internal taxes, involving a necessity for a circulating medium equal in value throughout the country, and safe for the Government to receive in payment of dues. This subject, of course, demanded and received the earnest and careful consideration of the distinguished gentlemen at that time the financial minister of the Government, who caused to be prepared and submitted to Congress a bill "to provide a national currency secured by a pledge of United States bonds, and to provide for the circulation and redemption thereof," which, after having been carefully considered and thoroughly discussed, became a law on the 25th of February, 1863. Prior to the passage of this act, issues by the Government had been authorized, and a large amount of Government notes had been put in circulation. But there is nothing in the acts authorizing their issue, or in the communications of the Secretary, or in the discussions in Congress, to justify the opinion that they were intended to be a permanent circulation. On the contrary, the provisions in the law for their conversion into bonds, and the arguments of the advocates of their issue, afford ample evidence that they were regarded as merely temporary, and justifiable only by an emergency which it was supposed nothing else could adequately meet. Had it been proposed that these notes should be a permanent circulation and take the place of bank notes, there is good reason to suppose that the proposition would have had few, if any, advocates. Nor was the National Banking system prepared by its author, nor adopted by Congress, to destroy the State Banks, nor to divert capital from banking, but rather to compel all banking institutions issuing notes as money to secure them, beyond any conceivable contingency, by deposits with the Treasurer of the United States thus, without the agency of a National Bank, providing a national currency which would save the Government and people from losses, of which there was constant danger, from a local and unsecured circulation. The national banking system was intended, while not invading the rights of the States, nor damaging private interests, to furnish the people with a permanent paper circulation. The United States notes were intended to meet a temporary emergency, and to be retired when the emergency had passed.

The present Secretary was not the advocate of the National Banking System, and claims only the credit of having used his best efforts, as Comptroller, to put it into successful operation. But he has no hesitation in pronouncing it a vast improvement upon the systems which it superseded, and one admirably adapted to our peculiar form of Government. There are substantial objections to all banks of issue, and if none existed in the United States, it might be very questionable if any should be introduced; but having taken the place of the State Banks, and furnished as they do a circulation as free from objection as any that is likely to be provided, the Secretary is of the opinion that the National Banks should be sustained, and that the paper circulation of the country should be

reduced, not by compelling them to retire their notes, but by the withdrawal of the United States notes.

The Secretary is not unmindful of the saving of interest which results to the Government by the use of its own currency, nor of the favor with which this currency is regarded by the people; but all considerations of this nature are more than counterbalanced by the discredit which attaches to the Government by failing to pay its notes according to their tenor, by the bad influence of this voluntary discredit upon the public morals, and the wide departure which a continued issue of legal tender notes involves, from past usages, if not from the teachings of the Constitution itself. The Government cannot exercise powers not conferred by its organic law or necessary for its own preservation, nor dishonor its own engagements when able to meet them, without either shocking or demoralizing the sentiment of the people; and the fact that the indefinite continuance of the circulation of an inconvertible but still legal tender currency is so generally advocated, indicates how far we have wandered from old landmarks, both in finance and ethics. The views of the Secretary on this point were so fully expressed in his former report that it is not necessary to restate them. It is sufficient to say that his opinions are unchanged, and that reflection and observation during the past year have assured him of their correctness. Anxious as he is to lighten the public burdens and reduce the public debt, he does not hesitate to advise that these notes be withdrawn from circulation, and that the furnishing of what paper currency may be required be left to corporations, under existing laws, and such amendments of these laws as experience may dictate for the better protection and advancement of the public interest. How rapidly they may be retired must depend upon the effect which contraction may have upon business and industry, and can be better determined as the work progresses. The reduction could probably be increased from four millions per month, as contemplated by the act of April 12, 1866, to six millions per month for the present fiscal year, and to ten millions per month thereafter, without preventing a steady conversion of the interest-bearing notes into bonds, or injuriously affecting legitimate business. No determinate scale of reduction would, however, in the present condition of our affairs, be advisable. The policy of contracting the circulation of Government notes should be definitely and unchangeably established, and the process should go on just as rapidly as possible without producing a financial crisis, or seriously embarrassing those branches of industry and trade upon which our revenues are dependent. There is a great adaptability in the business of the United States, and it will easily accommodate itself to any policy which the Government may adopt. That the policy indicated is the true and safe one, the Secretary is thoroughly convinced. If it shall not be speedily adopted and rigidly, but judiciously enforced, severe financial troubles are in store for us.

The Secretary cordially approves what is said by the Acting Comptroller of the Currency, in his report, in regard to the importance of furnishing the people of the South with the bank-note circulation which their business may require, and agrees with him in the opinion which he expresses of the beneficial results, political, financial and social, to be effected by the organization of National Banks in the Southern States, but he cannot recommend an increase of the bank-note circulation of the country beyond three hundred millions of dollars, and hopes that the necessities of those States may be supplied rather by a reduction of the amount awarded to other States, than by an increase of the volume of currency.

The third remedy suggested is a revision of the tariff for the purpose of harmonizing it with internal taxes, a reduction of taxes upon raw material, &c., &c.

The 66th section of the act entitled, *An act to reduce internal taxation,* &c., approved July 13, 1866, provides: "That the Secretary of the Treasury is hereby authorized to appoint an officer in his department, who shall be styled *'Special Commissioner of the Revenue,'* whose office shall terminate in four years from the 30th day of June, 1866. It shall be the duty of the Special Commissioner of the Revenue to inquire into all the resources of national revenue, and the best

method of collecting the revenue; the relation of foreign trade to domestic industry; the mutual adjustment of the system of taxation by customs and excise, with the view of insuring requisite revenue with the least disturbance or inconvenience to the progress of industry and the development of the resources of the country; and to inquire, from time to time, under the direction of the Secretary of the Treasury, into the manner in which officers charged with the administration and collection of the revenues perform their duties. And the said Special Commissioner of the Revenue shall, from time to time, report, through the Secretary of the Treasury, to Congress, either in the form of a bill or otherwise, such modifications of the rates of taxation, or of the methods of collecting the revenues, and such other facts pertaining to the trade, industry, commerce, or taxation of the country, as he may find, by actual observation of the operation of the law, to be conducive to the public interest."

On the 16th of July last, Mr. David A. Wells was appointed Special Commissioner of the Revenue, under the authority above recited, and he was instructed to proceed at once to perform the contemplated work, giving his chief attention to the tariff, with the view of ascertaining what modifications are required to adjust it to the system of internal taxes, stimulate industry, and make labor more productive.

The ability displayed by Mr. Wells in the performance of his duties as one of the commissioners for the revision of the internal revenue laws, and the heartiness with which he is prosecuting his investigations, give the best assurance that he will perform the work in a manner creditable to himself, and satisfactory to Congress and the people. The Secretary addressed to him on the 14th day of September, 1866, a letter, from which the following is extracted: "In view of the fact that the revision of the tariff is certain to engage the attention of Congress at its next session, I consider it especially desirable that the Treasury Department should be prepared to furnish as much information pertinent to the subject as can be obtained and collected within the limited time available for the necessary investigations. You are, therefore, hereby requested to give the subject of the revision of the tariff especial attention, and to report a bill which, if approved by Congress, will be a substitute for all acts imposing customs duties, and which will render the administration of this branch of the revenue system more simple, economical, and effective.

"In the discharge of this duty, you will consider the necessity of providing for a large, certain and permanent revenue, recollecting the fact that the existing tariff has proved most effective in this direction. You will therefore endeavor, first, to secure for the Government a revenue commensurate with its necessities; and, secondly, to propose such modifications of the tariff laws now in force as will better adjust and equalize the duties upon foreign imports with the internal taxes upon home productions. If this last result can be obtained without detriment to the revenue, by reducing taxation upon raw materials and machinery of home productions, rather than by increasing the rates of imports, it would, in my opinion, by decreasing the cost of production and increasing the purchasing power of wages, greatly promote the interests of the whole country."

There is no subject which has in times past provoked so much discussion, and in regard to which opinions have differed so widely, as the tariff. It has been a standing matter of sectional and political strife for nearly half a century, and the sentiment of the people in regard to it is still quite as much divided as when the discussion of it commenced. Always a complex and difficult question, it is particularly so at the present time. Prior to the rebellion it had no relation to internal taxes, for this form of federal taxation was then unknown to our people. It had little connection with the currency, for, until the year 1862, although the banks had repeatedly suspended specie payments, specie was the only legally-recognized standard of value in the United States. Now the question of the tariff is to be considered in connection with a permanent system of internal taxes and a depreciated, but it is hoped a temporary legal tender currency. It is obvious that a scale of duties upon imports which might have been sufficient, judicious,

and beneficial, when there were no internal federal taxes and business was conducted upon a specie basis, may be insufficient, injudicious and injurious now. A large revenue is at present indispensable for the payment of the ordinary expenses of the Government, the interest upon the public debt, and for a gradual and regular reduction of the principal. Free trade, although in accord with the principles of the Government and the instincts of the people, cannot be adopted as a policy as long as the public debt exists in anything like its present magnitude. The long-hoped-for period when there shall be no legal obstructions to a free exchange of commodities between the United States and other countries is still far in the future. Duties upon imports are not only necessary for revenue, but also for the protection of those home interests upon which heavy internal taxes are to be assessed. The question now before the country is therefore one of adaptation, rather than principle. How shall the necessary revenue be raised under a system of internal and external taxes without sustaining monopolies, without repressing industry, without discouraging enterprise, without oppressing labor? In other words, how shall the revenue be raised in a manner the least oppressive to the people, without checking the prosperity and growth of the country? The Secretary is not disposed to discuss the question in this report. This will, it is expected, be done elaborately and thoroughly in the report of the Commissioner. He desires, however, to call attention to a few important facts in regard to some branches of business in the United States, the consideration of which may tend to give a proper direction to the public mind upon a question so absorbing and important.

No single interest in the United States, fostered although it may be by legislation, can long prosper at the expense of other great interests. Nor can any important interests be crushed by unwise or unequal laws, without other interests being thereby prejudiced. For illustration: the people of the United States are naturally a commercial and maritime people—fond of adventure, bold, enterprising, persistent. Now, the disagreeable fact must be admitted, that, with unequalled facilities for obtaining the materials and with acknowledged skill in ship-building—with thousands of miles of seacoast, indented with the finest harbors in the world—with surplus products that require in their exportation a large and increasing tonnage—we can neither profitably build ships nor successfully compete with English ships in the transportation of our own productions. Twenty years ago it was anticipated that ere this the United States would be the first maritime power in the world. Contrary to our anticipations, our foreign commerce has declined nearly fifty per cent. within the last six years. The tonnage of American vessels engaged in the foreign carrying trade which entered United States ports was:

In 1860.....	tons. 5,921,285
In 1865.....	2,943,661
In 1866.....	3,872,060

The tonnage of such vessels which were cleared from the United States was:

In 1860.....	tons. 6,165,924
In 1865.....	3,025,134
In 1866.....	3,883,176

The tonnage of foreign vessels which entered our ports was:

In 1860.....	tons. 2,853,911
In 1865.....	3,216,967
In 1866.....	4,410,424

The tonnage of foreign vessels which were cleared was:

In 1860.....	tons. 2,624,005
In 1865.....	3,595,123
In 1866.....	4,433,384

It is true that a large proportion of this diminution of shipping and ship-building was the effect of the war. The great destruction of merchant vessels by rebel cruisers not only induced sales to neutrals, but discouraged building. After

the war, however, the scarcity of American vessels ought to have produced, and, but for a redundant currency and high taxes, would have produced activity in our ship-yards and a rapid increase of tonnage; but this has not been the case. The prices of labor and materials are so high that ship-building cannot be made profitable in the United States, and many of our ship-yards are being practically transferred to the British Provinces. It is only a few years since American ships were sought after, on account of their superiority and cheapness; and large numbers of vessels were built in Maine and other States on foreign account, or sold to foreigners, while, at the same time, our own mercantile marine was being rapidly increased. Now many of our ship-yards are abandoned, and in others very little activity prevails. It is true there has recently been some increase in our foreign tonnage, but a good part of this increase is apparent only, and is the result of the new rule of admeasurement. It is an important truth that vessels can be built very much cheaper in the British Provinces than in Maine. Nay, further, that timber can be taken from Virginia to the Provinces, and from these Provinces to England, and there made into ships which can be sold at a profit; while the same kind of vessels can only be built in New England at a loss, by the most skillful and economical builders. But the evil does not stop here; if the only loss was that which the country sustained by the discontinuance of ship-building, there would be less cause of complaint. It is a well established general fact, that the people who build ships navigate them, and that a nation which ceases to build ships ceases, of consequence, to be a commercial and maritime nation. Unless, therefore, the causes which prevent the building of ships in the United States shall cease, the foreign carrying trade, even of our own production, must be yielded to other nations. To this humiliation and loss the people of the United States ought not to be subjected. If other branches of industry are to prosper, if agriculture is to be profitable, and manufactures are to be extended, the commerce of the country must be restored, sustained and increased. The United States will not be a first-class power among the nations, nor will her other industrial interests continue long to prosper as they ought, if her commerce shall be permitted to languish.

The same causes—a redundant currency and high taxes—that prevent shipbuilding, tend to prevent the building of houses and even of manufactories. So high are prices of every description that men hesitate to build dwellings as fast as they are required, and thus rents are so advanced as to be oppressive to lessees, and the healthy growth of towns and cities is retarded. So it is in regard to manufactories. Mills which were built before the war can be run profitably, but so expensive are labor and materials that new mills cannot be erected and put into operation with any prospect of fair returns upon the investment, unless upon the expectation that taxes will remain as they are and prices be sustained, if they are not advanced. The same causes are injuriously affecting agriculture and other interests which it is not necessary to particularize. It is everywhere observed that existing high prices are not only oppressing the masses of the people, but are seriously checking the development, growth, and prosperity of the country. It is not denied that the losses which the country has sustained of able-bodied men by the war is one cause of existing high prices; but mainly they are the result of a redundant currency and high taxes.

To raise the large revenue which is now required, by systems of internal and external duties, which, working in harmony, shall neither repress industry nor check enterprise, and which shall be so devised as to make taxation bear most heavily upon those who are most benefitted by taxes and by the debt which renders taxation necessary, requires great practical knowledge and wise statesmanship. This subject, always an interesting one to the heavily indebted nations of Europe, has become, as one of the results of the war, deeply interesting to the people of the United States. The Secretary does not, as before stated, intend to discuss it, but he ventures to suggest that the following general principles, some of which have been acted upon by Congress, and the correctness of all of which has been proved by other nations, may be safely adopted as a guide to the legislation that is now required.

First—That the fewest number of articles, consistent with the amount of the revenue to be raised, should be subjected to internal taxes, in order that the system may be simple in its execution, and as little offensive and annoying as possible to the tax payers.

Second—That the duties upon imported commodities should correspond and harmonize with the taxes upon home productions; and that these duties should not be so high as to be prohibitory, nor to build up home monopolies, nor to prevent that free exchange of commodities which is the life of commerce. Nor, on the other hand, should they be so low as to seriously impair the revenues, nor to subject the home manufacturers, burdened with heavy internal taxes, to a competition with cheaper labor and larger capital which they may be unable to sustain.

Third—That the raw materials used in building and manufacturing, and which are to be largely enhanced in value by the labor which is to be expended upon them, should be exempted from taxation, or that the taxes upon them should be low in comparison with the taxes upon other articles. This is the policy of other enlightened nations, and it is believed that the diminution of direct revenue which it would involve, if adopted by the United States, would be more than made up by the augmented value which it would give to labor, and by the increase of productions and of exports which would be sure to result from it. It should be constantly borne in mind, that taxes upon raw materials directly increase the cost of production, and thus tend either to reduce the product of labor or to prevent exportations to foreign markets.

Fourth—That the burdens of taxes should fall chiefly upon those whose interests are protected by taxation, and upon those to whom the public debt is a source of wealth and profit, and lightly upon the laboring classes, to whom taxation and the debt are without many compensatory advantages.

The next of the series of proposed remedies is an issue of bonds, bearing interest at the rate of not exceeding five per cent. and payable in Europe, to an amount sufficient to absorb the six per cent. bonds in foreign hands, and supply the European demand for United States securities for permanent investment. No one regrets more than the Secretary, the fact that so large an amount of our bonds is held abroad, or the unfortunate condition of our trade that has transferred them thither. The opinion that the country has been benefitted by the exportation of its securities, is founded upon the supposition that we have received real capital in exchange for them. This supposition is, to a great extent, unfounded. Our bonds have gone abroad to pay for goods, which, without them, might not have been purchased. Not only have we exported the surplus products of our mines and our fields, with no small amount of our manufactures, but a large amount of securities also, to pay for the articles which we have purchased from other countries. That these purchases have been stimulated and increased by the facility of paying for them in bonds, can hardly be doubted. Our importation of goods have been increased by nearly the amount of the bonds which have been exported. Not one dollar in five of the amount of the five-twenties now held in England and upon the continent, has been returned to the United States in the form of real capital. But if this were not a true statement of the case, the fact exists, as has been already stated, that some three hundred and fifty millions of Government bonds not to mention State and railroad bonds and other securities—are in the hands of the citizens of other countries, which may be returned at any time for sale in the United States, and which, being so held may seriously embarrass our efforts to return to specie payments. After giving the subject careful consideration, the Secretary has concluded that it is advisable that he should be authorized to issue bonds not having more than twenty years to run, and bearing a low rate of interest, payable in England or Germany, to be used in taking up the six per cents. now held abroad, and in meeting any foreign demand for investment that may exist. The question now to be considered is not how shall our bonds be prevented from going abroad, for a large amount has already gone, and others will follow as

long as our credit is good and we continue to buy more than we can pay for in any other way, but how shall they be prevented from being thrown upon the home market, to thwart our efforts in restoring the specie standard. The Secretary sees no practical method of doing this at an early day, but by substituting for them bonds which, being payable principal and interest in Europe, will be less likely to be returned when their return is the least desired. The holders of our securities in Europe are now subject to great inconvenience and not a little expense in collecting their coupons, and it is supposed that five per cent. or perhaps four and a half per cent. bonds, payable in London or Frankfurt, could be substituted for our six per cents. without any other expense to the United States than the trifling commissions to the agents through whom the exchanges might be made. The saving of interest to be thus effected would be no inconsiderable item; and the advantages of having our bonds in Europe placed in the hands of actual investors is too important to be disregarded.

Fifth—The fifth and last remedy suggested is, the rehabilitation of the States recently in insurrection.

In alluding to this subject, the Secretary feels that he steps upon dangerous ground, and that he may be charged with introducing a political topic in a financial report; but, in his opinion there is no question now before the country more important in its bearings upon our finances than the political and consequently industrial status of the Southern States. Embracing, as they do one-third part of the richest lands of the country, and producing articles of great value for home use and for exportation to other countries, their position with regard to the General Government cannot remain unsettled, and their industrial pursuits cannot continue to be seriously disturbed, without causing such a diminution of the production of their great staples as must necessarily affect our revenues, and render still more unsatisfactory than they now are, our trade relations with Europe. As long as the present anomalous condition of these States continues—as long as they have no participation in the Government, to the support of which they are compelled to contribute—it is idle to expect that their industry will be restored or their productions increased. On the contrary, there is reason to apprehend that until harmonious relations again exist between the Federal Government and these States, the condition of their industrial interests will become day by day more uncertain and unsatisfactory. There will be no real prosperity in these States, and consequently no real prosperity in one-third part of the United States, until all possess again equal privileges under the Constitution. Can the nation be regarded as in a healthy condition when the industry of so large a portion of it is deranged? And can the labor question at the South be settled as long as the political status of the South is unsettled? Can the national credit be elevated and the public debt be rapidly reduced unless the Southern States shall largely contribute to the public revenues, and can such contributions be relied upon as long as they remain in their present disfranchised condition? Will the tax-payers of the North continue to be patient, unless their burden of taxation can be lessened by being equally shared by the people of the South? Regarded thus as a purely financial question, the relation of these States to the Federal Union is an exceedingly interesting and important one, and as such it demands the calm and careful consideration of Congress.

The Secretary has thus presented in such manner as his pressing official duties would permit, his views of the financial condition of the country, the causes of trouble, present and prospective, and the remedies for the same. If these remedial measures shall be approved by Congress, and enforced by appropriate legislation, he is confident that specie payments may be resumed by the time our interest-bearing notes are retired, which must be done in less than two years, and probably will be in a much shorter period.

These measures look to an increase of labor, and consequently of production—to a fulfilment of obligations by the Government and the Banks—to a reduction of the public debt at the same time that taxes are being equalized and lessened—to lower prices, and apparently harder, but really more prosperous times—to

a restoration of specie payments without the financial troubles which usually precede a resumption after a long period of suspension and inflation. The Secretary does not mean to assert that the adoption of all these measures (although he regards each as important) is absolutely necessary to return to specie payments, nor that other remedies may not be adopted by Congress to rescue the country from impending financial troubles. He presents, as he considers it to be his duty to do, his own views, and asks that they may receive careful consideration, and be adopted if they commend themselves to the wisdom of Congress, and rejected if measures better calculated to secure the desired end can be devised. The most sanguine and hopeful must perceive that the business of the country cannot for a much longer time be run upon the present high level with safety. The speculative interest, large and powerful in itself, is receiving daily new accessions of strength by the increase of individual credits; and when speculators and debtors control the financial policy of the country, a financial collapse is inevitable. These untoward and dangerous influences can now be resisted, and the true interests of the people require that they should be resisted promptly and decisively.

Unsatisfactory as is, in many respects, our condition, there is cause for congratulation that we have thus far escaped those severe financial troubles which usually befall nations at the close of expensive and protracted wars. With our vast resources and the buoyant and persistent energy of a free people, it will be our own fault if we do not escape them altogether.

The Secretary has pointed out the financial dangers around and before us, in order that they may be considered and avoided before they culminate in general disaster. Strong as is his conviction that we have been for some time, and still are, moving in the wrong direction, and that much of our prosperity is unreal and unreliable, his confidence in the ability of the country to right itself speedily is unshaken. We have but touched the surface of our resources—the great mines of our national wealth are yet to be developed. The experiences of the past four years have only assured us of our strength. It is only necessary that our true situation be understood in order that the proper remedies may be applied. There is no insurmountable obstacle in the way of restoration to perfect financial health, without the painful trials to which it is apprehended we must first be subjected. To be a co-worker with Congress and the people in effecting this most desirable result has been, and will continue to be, the highest aim of the Secretary.

After a careful survey of the whole field, the Secretary is of the opinion that specie payments may be resumed, and ought to be resumed, as early as the first day of July, 1868, while he indulges the hope that such will be the character of future legislation, and such the condition of our productive industry, that this most desirable event may be brought about at a still earlier day.

The following is a statement of the public debt, June 30, and October 31, 1866, exclusive of cash in Treasury:

Denominations.	June 30, 1866.	Oct. 31, 1866.
Bonds, 10-40's, 5 per cent. due in 1904.....	\$171,219,100 00	\$171,080,850 00
Bonds, Pacific R. R. 6 per cent., due in 1895 and 1896.....	6,042,000 00	9,822,000 00
Bonds, 5-20's 6 per cent. due in 1882, 1884 and 1885....	722,205,500 00	822,944,000 00
Bonds, 6 per cent., due in 1868.	\$8,908,841 80	\$8,290,911 80
Bond, 6 per cent., due in 1867.....	9,415,250 00	7,742,800 00
Compound interest notes, due in 1867 and 1868.....	159,012,140 00	147,512,140 00
7-30 Treasury notes, due in 1867 and 1868.....	806,251,550 00	724,014,300 00
Total.....	\$988,587,281 80	\$888,560,181 80
Bonds, Texas indemnity, past due, not presented.....	\$559,000 00	\$384,000 00
Bonds, Treasury notes, &c., past due, not presented.....	2,815,675 80	.....
Bonds, Treasury notes temporary loan, certificates of indebtedness, &c., past due, not presented.....	.....	36,604,909 21
Total.....	\$4,874,675 80	\$36,988,909 21
Temporary loan, ten days' notice.....	\$120,176,196 65	.....
Certificates of indebtedness, past due, not presented.....	26,891,000 00	.....
Total.....	\$146,567,196 65	.....

Bonds, 6 per cent., due in 1881.....	265,317,700 00	265,317,700 00
Bonds, 6 per cent., due in 1880.....	18,415,000 00	18,415,000 00
Bonds, 5 per cent., due in 1874.....	22,000,000 00	22,000,000 00
Bonds, 5 per cent., due in 1871.....	7,022,000 00	7,022,000 00
Navy pension fund, 6 per cent.....	.....	11,730,000 00
Total.....	\$1,210,231,300 00	\$1,210,231,300 00
United States notes.....	\$400,891,388 00	\$400,891,388 00
Fractional currency.....	27,070,878 00	27,070,878 00
Gold certificates of deposit.....	10,713,180 00	10,713,180 00
Total.....	\$438,675,446 00	\$438,675,446 00
Total debt.....	\$2,751,425,879 21	\$2,751,425,879 21
Cash in Treasury.....	122,687,549 11	122,687,549 11
Receipts from customs.....	\$110,000,000 00	
Receipts from lands.....	500,000 00	
Receipts from internal revenue.....	186,000,000 00	
Receipts from miscellaneous sources.....	20,000,000 00	\$316,500,000 00

The Secretary estimates that the receipts for the three quarters ending June 30, 1867, will be as follows:

The expenditures, according to his estimates, will be—

For the civil service.....	37,405,947 30	
For pensions and Indians.....	12,362,217 21	
For the War Department, including \$15,000,000 for bounties.....	58,804,657 05	
For the Navy Department.....	23,144,810 31	
For interest on the public debt.....	105,551,512 00	\$237,168,143 86

Leaving a surplus of estimated receipts over estimated expenditures of.... 79,331,856 14

The receipts for the next fiscal year ending June 30, 1868, are estimated as follows:

From customs.....	\$145,000,000 00	
From internal revenue.....	205,000,000 00	
From lands.....	1,000,000 00	
From miscellaneous sources.....	25,000,000 00	\$435,000,000 00

The expenditures are estimated as follows:

For the civil service.....	\$50,067,342 00	
For pensions and Indians.....	25,388,489 00	
For the War Department including \$64,000,000 for bounties...	110,861,961 80	
For the Navy Department.....	30,251,605 26	
For interest on the public debt.....	122,678,243 00	\$339,247,641 06

Leaving a surplus of estimated receipts over estimated expenditures of... \$105,752,358 94

In regard to the commercial intercourse between the United States and British America, the Secretary adheres to the general opinion expressed in his report of 1865, that until our revenue system is fully revised and adjusted to the financial situation of the country, this subject should not be placed beyond the control of Congress, but should be left to concurrent legislation and such regulations as the Treasury Department may be authorized by law to prescribe. Another reason for arrangements thus flexible is presented by the uncertainty of the political situation of British America. The scheme of confederation, which proposes to transfer questions of revenue and external trade to a single central authority, has not been adopted, and the opposition to the measure may prevail with the new ministry of England, either to modify materially the terms of the Quebec convention, or to subject the whole measure to the hazards of a popular vote in the Provinces.

However the political problem may be solved, it is not unlikely that when the United States shall have simplified existing methods, and reduced existing rates of taxation, so as to receive the largest amount of revenue with the least burden to industry, British America will be prepared to undertake a system of public improvements along the channel of the St. Lawrence and through Northwest British America to the Pacific coast, which, by the financial necessities attending its adoption and the administration of a federal government, will suggest a Zollverein, or a complete assimilation of excise and custom duties on each side of the northern frontier. At present, inaction upon this subject would appear to be the true policy of the United States. * * * * *

The Secretary is under obligations to the officers and clerks of the Department for the very satisfactory manner in which, with few exceptions, they have during the past year performed their important and responsible duties.

HUGH McCULLOCH, Secretary.

Hon. Schuyler Colfax.

Speaker of the House of Representatives.

REPORT OF THE COMPTROLLER OF THE CURRENCY.

OFFICE OF THE
COMPTROLLER OF THE CURRENCY,
WASHINGTON, 1866.

SIR: In compliance with the provisions of section 61 of the National Currency act, I have the honor to present through you to the Congress of the United States the following report:

Since the last annual report sixty-two (62) National Banks have been organized, of which fifty-one (51) are new associations, and eleven (11) are conversions of existing State Banks to the national system, making the total number organized up to October 1, one thousand six hundred and sixty three, (1,663)

The following table will exhibit the number of banks, with the amount of capital and circulation in each State and Territory:

States and Territories.	Or- gan- ized.	Clos'g or clos'd.	Oper- ation.	Capital paid in.	Bonds deposited.	Circulat' on issued.
Maine.....	61	....	61	\$9,085,000 00	\$8,396,250	\$7,451,820
New Hampshire.....	39	....	39	4,715,118 07	4,727,000	4,121,253
Vermont.....	39	....	39	6,810,012 50	6,411,000	6,676,800
Rhode Island.....	62	....	62	20,364,900 00	14,144,600	12,369,860
Massachusetts.....	208	1	207	71,932,000 00	64,270,800	56,740,670
Connecticut.....	81	1	82	24,584,220 09	19,471,500	17,177,450
New York.....	313	5	308	116,267,141 00	75,970,400	67,85,485
New Jersey.....	54	....	54	11,231,350 00	10,324,150	9,080,745
Pennsylvania.....	203	2	201	49,200,765 00	43,824,350	38,099,640
Maryland.....	32	....	32	12,590,212 50	10,052,750	8,745,450
Delaware.....	11	....	11	1,428,185 00	1,348,200	1,179,300
District of Columbia.....	6	2	5	1,550,000 00	1,412,000	1,276,500
Virginia.....	20	....	20	2,500,000 00	2,397,000	2,014,900
West Virginia.....	15	....	15	2,216,410 00	2,236,750	1,930,650
Ohio.....	136	1	135	11,801,700 00	20,771,910	18,375,230
Indiana.....	72	1	71	12,680,000 00	12,400,850	10,828,280
Illinois.....	82	....	82	11,570,000 00	10,818,400	9,448,415
Michigan.....	43	1	42	4,985,010 00	4,318,600	3,778,900
Wisconsin.....	37	....	37	2,933,000 00	2,846,750	2,512,750
Iowa.....	46	1	45	3,697,000 00	3,681,150	3,214,305
Minnesota.....	15	....	15	1,660,000 00	1,632,200	1,484,000
Kansas.....	4	....	4	325,000 00	332,000	269,000
Mis-ouri.....	17	2	15	4,079,000 00	2,903,100	2,712,490
Kentucky.....	15	....	15	2,840,000 00	2,645,000	2,311,270
Tennessee.....	10	....	10	1,700,000 00	1,316,200	1,016,790
Louisiana.....	3	....	3	1,400,000 00	858,000	727,000
Nebraska.....	3	....	3	210,000 00	180,000	130,000
Colorado.....	3	....	3	350,000 00	194,000	69,000
Mississippi.....	2	....	2	150,000 00	75,000	65,500
Georgia.....	9	....	9	1,700,000 00	1,065,500	1,124,000
North Carolina.....	5	....	5	870,750 00	309,000	228,000
South Carolina.....	2	....	2	500,000 00	140,000	126,000
Arkansas.....	2	....	2	20,000 00	20,000	179,500
Alabama.....	3	....	3	500,000 00	304,000	262,500
Utah.....	1	....	1	150,000 00	5,000	44,970
Oregon.....	1	....	1	110,000 00	100,000	88,500
Texas.....	4	....	4	548,700 00	403,500	337,750
Nevada & Montana.....	2	....	2	235,000 00	195,000	166,000
	1,663	16	1,647	\$417,245,154 07	\$382,467,700	\$292,671,756

From the number of banks organized, heretofore stated to be sixteen hundred and sixty three, should be deducted sixteen, leaving the number in active operation sixteen hundred and forty seven.

The banks to be deducted are the following:

NEVER COMPLETED THEIR ORGANIZATION SO AS TO COMMENCE BUSINESS.

The First National Bank of Lansing, Michigan.
 The First National Bank of Penn Yan, New York.
 The Second National Bank of Canton, Ohio.
 The Second National Bank of Ottumwa, Iowa.

SUPERSEDED BY SUBSEQUENT ORGANIZATIONS WITH THE SAME TITLE.

The First National Bank of Norwich, Connecticut.
 The First National Bank of Utica, New York.

IN THE HANDS OF RECEIVERS.

The First National Bank of Attica, New York.
 The Venango National Bank of Franklin, Pennsylvania.
 The Merchants' National Bank of Washington, District of Columbia.

CLOSED AND CLOSING UNDER THE PROVISIONS OF SECTION 42 OF THE ACT.

The First National Bank of Columbia, Missouri.
 The First National Bank of Carondelet, Missouri.
 The First National Bank of Leonardsville, New York.
 The National Union Bank of Rochester, New York.
 The Pittston National Bank, Pittston, Pennsylvania, consolidated with the first National Bank of Pittston, Pennsylvania.
 The Berkshire National Bank of Adams, Massachusetts, consolidated with the First National Bank of Adams, Massachusetts.
 The Fourth National Bank of Indianapolis, Indiana, consolidated with the Citizens' National Bank of Indianapolis, Indiana.

An abstract, by States, of the quarterly returns made to this office for the quarters ending January 1, April 2, July 2, and October 1, 1866, with a detailed statement of the condition of each bank at the close of the last quarter, is herewith submitted.

A statement showing the names and compensation of the clerks and employees and the total expenses of the bureau for the fiscal year ending June 30, 1866, is also appended.

Two banks which had given notice of going into liquidation under section 42 of the act, prior to the date of the last report, have paid over to Treasurer of the United States the amount of their outstanding circulation in lawful money and taken up the bonds which they had on deposit with the Treasurer for the security of such notes, as follows, viz :

The First National Bank of Columbia, Missouri, \$11,990.

The First National Bank of Carondelet, Missouri, \$25,500. These banks are now closed.

During the past year the First National Bank of Leonardsville, New York and the National Union Bank of Rochester, New York, have voluntarily given notice of going into liquidation as required by law.

The First National Bank of Leonardsville has a

Capital of	\$20,000
Bonds deposited	25,500
Circulation	45,000

The National Union Bank of Rochester has a

Capital of	\$400,000
Bonds deposited	250,000
Circulation	120,000

The Merchants' National Bank of Washington and the Venango National Bank of Franklin, Pennsylvania, having failed to redeem their circulating notes when presented for that purpose, have been placed in the hands of receivers as required by law. The circumstances attending the failure of these two banks were fully investigated and reported by a committee of the House of Representatives during the last session of Congress.

The receiver of the First National Bank of Attica, New York, has brought

his labors nearly to a close, and a dividend will be declared to the general creditors of the bank on or about the first of January, 1867. The bonds deposited to secure its circulating notes, namely, \$31,500 of six per cent. and \$18,500 of five per cent. bonds, were sold at public auction in the city of New York on the 8th day of October last, in accordance with the provisions of section forty-eight of the Currency act. The net amount realized from the sale was \$51,556 25. Of this sum, \$44,000 was deposited with the Treasurer of the United States for the redemption of the outstanding circulation of the bank, and, under instructions of the receiver, \$7,556 25 was paid into the treasury, according to the provisions of section fifty of the act for the benefit of the general creditors of the bank. The amount of outstanding circulation redeemed to October 1 was \$5,320.

With these exceptions the national banks throughout the United States seem to be in a sound and healthy condition, as evidenced by their quarterly reports to this office, verified by careful examinations made by agents appointed for that purpose. Their total resources on the 1st of October last were \$1,525,493,960; their liabilities to the public for circulation and deposits were \$1,024,274,386; leaving a surplus of \$501,221,574 for capital and earnings, which are likewise a pledge for the payment of all debts to the public.

The increase of capital bonds, and circulation of national banks for the year ending October 1, 1866, has been as follows:

Increase of capital paid in.....	\$21,515,557
Increase of bonds deposited to secure circulation.....	56,247,750
Increase of circulation issued.....	101,834,008

This statement shows an increase of something more than one hundred millions of national currency; but during the same period national banks which have been converted from State banks have retired fully fifty millions of their State circulation, making the actual increase in the volume of currency only about fifty millions.

To correct a misapprehension which exists in the minds of many that the entire amount of national circulation issued has been added to the volume of currency, it may be well to take into consideration the amount of State bank circulation at a period just prior to the inauguration of the national system. The bank circulation of the United States in January, 1862, was one hundred and eighty-four millions of dollars, distributed as follows:

Northern and Western States.....	\$144,000,000
Southern States.....	40,000,000

Subsequent to this date no further returns were received from the Southern States.

Immediately following the suspension of specie payments there was an expansion of bank note circulation, which reached, in January, 1863, in the Northern States alone, two hundred millions of dollars, making an increase in one year of fifty six millions. Relieved of all liability to redeem, the evident tendency of the banks was to still greater expansion. No reliable returns later than January, 1863, are accessible; but the prevailing tendency of the times towards inflation, and the great temptation to banks to avail themselves of the opportunity to put in circulation very large amounts of their notes, without any restraints in the way of redemptions, would favor the opinion that this was not the highest point reached by the circulation of State banks. The forty millions of currency in the Southern States may now be added, giving an aggregate of two hundred and forty millions State bank circulation, which has been in great part replaced by national currency. Without making any invidious comparisons, it is no injustice to say that the substitution of a currency based upon United States bonds, secure beyond any contingency, for the miscellaneous issues of State banks, has done much towards sustaining public confidence, and preventing distrust and possible financial disaster.

REDEMPTION.

The law as it now stands provides for the redemption of national currency in the cities of St. Louis, Louisville, Chicago, Detroit, Milwaukee, New Orleans, Cincinnati, Cleveland, Pittsburg, Baltimore, Philadelphia, Boston, New York, Albany, Leavenworth, San Francisco and Washington. An amendment to the law was proposed during the last session of Congress, requiring all National banks to redeem either in Boston, New York or Philadelphia, but was postponed until the present session. Some system of practical and effective redemptions is desirable for the preservation of a healthy currency, and as a safeguard against redundancy. Under the existing requirements, thirteen hundred and twenty banks out of sixteen hundred and forty-seven voluntarily redeem in New York, Boston and Philadelphia. The banks represent two hundred and forty millions of currency, of which three-fourths are redeemed in New York.

The same arguments urged in favor of requiring redemptions in these three cities would, if carried to their logical conclusion, establish the expediency of requiring redemptions at one central point. Every national bank in the United States is obliged by the necessities of business to keep an account in New York city, clearly showing the current of trade and the tendency of money, and affording evidence that New York is the great commercial and financial centre.

A currency of uniform value in all sections of the Union is of the highest importance to the commercial and industrial interests of the country. The notes may be of uniform design and have the same ultimate security, but these conditions, though steps in the right direction, will not compass the end in view, unless the notes are available at par for the payment of debts and settlement of balances at the financial centre.

Banks of issue are a necessity of our financial system, recognized, encouraged and protected by the Government for the public good. In return for privileges conferred they should be required to make their issues conform to the demands of trade. The demands of trade require currency that will pay debts at the centre of trade. If the banks do not furnish a circulation that will conform to this standard, their issues will be depreciated and the loss will fall upon the business of the country.

The question is whether this tax shall be borne by the people, while the banks reap the profit, or whether the banks shall perform their whole duty by furnishing a currency which shall be available for the payment of debts everywhere, and thus complete the conditions necessary for a "uniform value." This question is one of growing importance, and one that presses for an early solution.

National banks in Boston, New York and Philadelphia recognize their obligations to meet every demand in lawful money of the United States, whether it be gold and silver or legal tender notes. They are obliged by law to receive in payment of debts the notes of every other National bank; but they cannot compel their customers to receive the same notes for their balances due from the banks; and here lies a difficulty which will subject the banks in those cities periodically to very great embarrassment.

The tendency of money to accumulate in these centres of trade—except at certain seasons of the year, when it is needed to bring forward the products of the Middle, Western and Southern States—is a fact which cannot be questioned. These banks are obliged to receive all that is offered, but cannot pay it out. An escape from this dilemma may be found in either of three different ways. First, the banks may be relieved from the obligation to receive this currency in payment of debts; or, secondly, national currency notes may be made a legal tender from the bank to its customers; or else, thirdly, national currency may be kept at par by redemption at the great centres of trade.

Without discussing the expediency of acting in accordance with either of the two suggestions first named—because the first method would leave the currency in a worse condition than it now is, and because the second method would be arbitrary, and would place national bank notes on a par with United States

notes, the necessity for which is not apparent at this juncture—the natural and most feasible method would seem to be that requiring the banks to keep their own issue at par by redemptions as above stated.

Under existing circumstances this requirement cannot be onerous; lawful money, which now stands as the representative of specie, as the agency of redemptions, being materially in excess of the currency to be redeemed, would make the inauguration of a system of central redemption feasible and practicable to an exceptional degree. Four-fifths of the banks have voluntarily recognized the propriety and expediency of such a course by selecting their redemption agencies in New York, Philadelphia and Boston. Justice requires that those banks which are willing to conform to the highest standard should be sustained; and this can be done effectually only by requiring all to place themselves on the same ground. It is questionable, however, whether this object would be best attained by the plan proposed in House bill No. 771, which was postponed to the present session. This bill provides that every bank shall redeem its circulating notes at an association in one of the seventeen cities named in section thirty-one of the currency act, but that each bank in those cities shall redeem in New York, Philadelphia, or Boston, its own notes and the notes of every other bank for which it may be the redemption agent. The object of the last provision is indirectly to compel every bank to redeem either in New York, Philadelphia or Boston; not so indirectly, however, but that its purpose is perfectly evident, and therefore open to every objection that would be urged against a direct requirement of law to that effect.

In recommending redemptions in New York, there is no intention to ignore the claims of any other section of the country. There are cities of great commercial importance in the Middle, Western, and Southern States, whose financial interests demand consideration. The notes of banks located in those cities are, by the provisions of the law as it now stands, redeemable in New York, and the managers of those banks would not have it otherwise. If the law did not require it, they would voluntarily redeem there. The proposed amendment only requires all other banks to do the same thing. It will give those cities and the banks in those cities a currency that is worth par in New York, instead of a depreciated currency that would be a continual clog upon all business operations.

If any particular section is not tributary to New York the fact that the banks of that section are required to redeem in New York will not make it tributary, but will make such redemptions easy and in nowise burdensome. The commercial importance of any place will force its own recognition; money can be drawn from it only for the payment of its debts. Trade flows in natural channels, and money goes with it; wherever trade centres, there money will accumulate sufficiently for its wants.

If money is arbitrarily concentrated contrary to this principle, it will flow back again, just as water will find its level. If the argument against redeeming in New York is based upon the preponderating importance of any other place as a centre of trade, it ceases to be an argument, as, in the natural order of things, the circulation issued by banks in that place will be worth more at home than at any other point, and will go home for the payment of balances rather than to New York for redemption; consequently there will be no hardship in the requirement. If the argument is not based upon that assumption, it is an argument for the other side of the question: for if it is a hardship to redeem in New York, the hardship is evidence of the necessity.

If all national banks are required to redeem their issues in New York, reciprocal obligations will be imposed upon the banks of that city. The balances kept in those banks will amount, in the aggregate, to a very large sum, and there will be competition between them for the accounts of the country banks. Such competition already exists, and has led to the dangerous practice of paying interest on deposits. This practice is condemned by all prudent bankers; but where one does it others must do it, or lose the accounts of good correspondents.

A bank that pays interest on current balances is obliged to keep its funds in

constant use, or lose money. In order to do this, loans payable on call are made upon collateral security of more or less value; and there is so much competition for such loans that it has the effect to lower the standard of security required. Everything which causes extraordinary facilities in monetary transactions tends to produce excitement, overtrading and speculation, sure to bring compensation sooner or later, if not checked, in pressure, distress and disaster. Loans of this description are made chiefly to speculators, and that is reason enough why the practice should be regarded as unsafe. Conservative banks should not countenance or aid speculation; and New York City banks, made by law the custodians of the available means for redeeming the circulation of all the banks in the United States, should be the most conservative of all banks. They should not be allowed to jeopardize the funds of the country banks by loaning them for speculation, and they would not, if they were not obliged to pay interest on them. Stop the payment of interest, and the temptation to make improper use of such funds is removed.

The only way in which the evil in question can be reached, if it can be remedied at all, is by a law prohibiting every national bank from paying or receiving interest on bank balances, and the propriety of such a law is recommended to the consideration of Congress.

Concurrently with a practicable system of redemptions, a gradual reduction of the volume of legal-tender notes would operate beneficially upon the character of the national currency, by checking its expansion beyond the necessities of business. If legal-tenders were reduced to such an extent that the amount in circulation should not exceed the sum required to perform the functions of lawful money as the substitute for specie, redemptions would be more stringent, and banks would be compelled to regulate their issues by the demands of trade.

A law enacted during the last session of Congress provides that the Secretary of the Treasury may diminish the volume of the United States notes in circulation, not to exceed four millions of dollars in any one month. Taking four hundred millions as the point from which the diminution commences, a regular reduction of four millions each month would leave at the expiration of two years three hundred millions of legal-tender notes in existence; or one dollar in lawful money for the redemption of each dollar of national currency authorized. This ratio would hardly render redemptions sufficiently stringent to produce much effect on bank circulation; but if this point could be reached by the expiration of one year, the effect would be more decided.

Four millions per month would be at the rate of one hundred and thirty three thousand dollars per day; but if bankers should see the means for the redemption of their issues diminishing at the rate of two hundred and sixty thousand dollars per day, they would naturally and unavoidably curtail their circulation to the lowest point their business would permit, and the benefits arising from a practical system of redemptions would begin to be realized.

This proposition is based upon the presumption that it will be the policy of the government to withdraw all its notes issued for circulation as fast as it shall have the power to do so. The fact is not overlooked, however, that an opinion prevails to some degree adverse to this view of the case. It is frequently and strenuously urged that the government should keep its notes in circulation, and thus have the use of so much money without interest.

It is proposed very briefly to consider this question. United States notes originated in the necessities of the government, not in the necessities of trade and commerce. Their amount was regulated, not by the business necessities of the country, but by the necessities of a great emergency, and was only limited by reaching the maximum of expenditure during a time of war. The amount issued was entirely arbitrary so far as the business interests of the country were concerned, and altogether in excess of the demands of trade, as is evident by the high prices borne by every kind of commodity, and from the surplus of money subject to the control of speculators. This currency cannot contract or expand from natural causes. It was issued to save the country from bankruptcy

during a protracted struggle with armed rebellion, and can only be contracted by legal enactment of Congress. There is no element about it in sympathy with the commercial and industrial interests of the country.

The power of issuing notes to circulate as money is too dangerous to be placed at the mercy of political parties in a government like ours, and is fraught with possibilities of corruption and disaster calculated to excite the gravest apprehension in the minds of prudent men. Having served the purpose for which it was called into existence, provision should be made for its withdrawal.

On the other hand, banks are in direct sympathy with trade, dependent upon it for their profits; they meet its wants by discounts and by furnishing a circulating medium; if currency is issued in excess of the demand, it is immediately returned for redemption, and contracts and expands as trade requires. In a word, banks are amenable to the laws of trade, while the government issues are not.

Furthermore, the banks have rendered important aid to the government throughout the war, and they have been largely instrumental in developing our national resources and increasing our national wealth. The managers and stockholders comprise a large, useful and public-spirited class in the community, numbering over 200,000 citizens. During the past year they have loaned to the business of the country an average of \$600,000,000. They now hold one-fourth of the entire indebtedness of the United States. They have redeemed and returned to the treasury of the United States over fourteen millions of mutilated legal-tenders, and have redeemed twenty-five millions of 7-30 coupons, to the very great convenience of both the public and the Treasury Department. They have been instrumental in placing in the hands of the people more than eleven hundred millions of United States securities. They have received and disbursed from the revenues seventeen hundred and seventy-four millions of public moneys free of expense to the government.

The expense of transporting and concentrating for disbursement this immense sum by ordinary means, without the agency of National banks, would have been, at a moderate estimate, not less than three millions of dollars.

The net loss sustained by the government through the failure of two banks, which were depositories of public moneys, will probably not exceed six hundred thousand dollars, or about one-thirtieth of one per cent. of the total amount involved, and about one fifth of the amount it would have cost the government to do the business without the aid of the banks.

From this statement it will be evident that National banks, although organized and managed by individuals for their own profit, are yet capable of rendering important services both to the government and to the public, and have demonstrated their entire willingness to perform such service; and that if losses have occurred to the Government through their agency, the amount is small compared with the outlay that would have been necessary to carry on the business without them.

DISTRIBUTION OF THE CIRCULATION AUTHORIZED BY LAW.

The original act of March 26, 1863, provided for an apportionment of the National currency to the several States and Territories as follows: one hundred and fifty millions according to representative population, and one hundred and fifty millions according to banking capital resources and business.

This requirement was repealed by the act of June 8, 1864, which left the distribution to the discretion of the Comptroller of the Currency. By the amendment of March 8, 1865, the clause requiring an apportionment to be made was reenacted, but at the same date an amendment to section 7 of the Internal Revenue Act provided that all existing State banks should have the right to become National banks, and should have the preference over new organizations up to the 1st day of July, 1865.

These two amendments were not in harmony; for, if the apportionment was made as required by the amendment to section 21, the State banks then in existence could not have been converted without exceeding in many instances the amount of circulation apportioned to the different States. But, as it seemed to be the intention and policy of the act to absorb all existing banking institutions, rather than to create new banking interests in addition thereto, the Comptroller of the Currency so construed the

amendments as to permit the conversion of State banks without limitation. The effect of this action was to make a very unequal distribution of the currency, some of the States receiving more than they were entitled to by the apportionment, and leaving but a very limited amount to be awarded to the Southern and some of the Western States.

Now, as the government has assumed entire control of the currency of the country, involving a direct supervision of its banking interests, it becomes the duty of the government to provide adequate bank facilities to all sections. The states lately in rebellion not being in a condition to avail themselves of the privileges granted in the National Currency act at the time when they were offered, and when it was still possible to obtain them, are now left almost entirely destitute of currency and banking facilities. This deficiency is the occasion of great inconvenience and loss to the people of those states, and it is very desirable, for many reasons, that it should be supplied.

First. It is important to all sections of the country, particularly to the Northern States, that the South should be supplied with all the facilities necessary for the production of the great staples of that section, because the export of these staples would reduce the exportation of gold.

Second. Although, to a limited extent, means are supplied by capitalists from other sections for the productions of this region, yet the supply is not equal to the demand, and foreign capitalists are thus enabled to gain entire control over a very large proportion of valuable products, yielding large profits to themselves, and leaving the country barely the cost of the production. This state of things naturally causes much discontent and dissatisfaction among the producers.

Third—Prosperous industry is the most speedy and certain remedy for the existing evils in the Southern States. It will allay bitterness of feeling, dissatisfaction with the results of the war, and promote contentment among the people. The assistance that could be rendered for the promotion of this end by local banking associations would be important both in character and extent. Besides, a community or identity of financial and pecuniary interests would bring into exercise an element of great power for the assimilation of the aims, purposes and hopes of all the people of all the States. The extension of the National banking system throughout the entire Union would bring about such an identity of interest in the credit of the Government, and of the entire system of banks, as would secure the active and zealous co-operation of all sections toward the preservation of such credit unimpaired.

Two methods have been suggested by which the Southern States can be supplied with banking facilities. One is by an equalization of the circulation already authorized by law among the different States and Territories. To this plan there are two serious objections: First, the question arises as to the right of Congress to rescind any portion of the contract made with National Banks at the time of their organization, by abrogating or restricting any of the rights secured by them in compliance with the law. It is true that Congress expressly reserved the right at any time to "amend, alter, or repeal" the National Currency Act. The Act of February 25, 1863, under which quite a number of banks were organized, was repealed by the Act of June 8, 1864. But the repealing act contained this saving clause: "Such repeal shall not affect any appointment made, acts done, or proceedings had, or the organization, acts, or proceedings of any associations organized, or in process of organization, under the act aforesaid;" thus recognising the principle that the repeal should not affect any rights secured under the former act.

It is not proposed to enter into any elaborate argument upon this question, but merely to suggest the doubts which may arise in connection with any legislation looking to an equalization of the national currency by withdrawing it from banks which have secured the right in strict conformity to law.

The second objection is this; that, granting the right of Congress to withdraw circulation, as above stated, the plan is impracticable as a measure of present relief, owing to the impossibility of securing the return of a sufficient amount of circulation within the necessary time. National currency notes, when once put in circulation, are scattered from the Atlantic coast to the Rocky Mountains, and from St. Lawrence to the Gulf. No one ever looks to see by what banks the notes are issued, and, there being no established system of redemptions, they are not and will not be returned to the bank of issue until they become so mutilated as to make them difficult to circulate.

The second plan suggested is, by an increase of the amount of circulation to be issued. This plan is met by the assertion that it would tend directly to a further ab-

tion of the currency. But this objection may be obviated by proper care in so adjusting the increase that it shall not at any time, or in any month, exceed the amount by which legal-tender notes are diminished. If the proper mission of legal-tenders were fully understood, and the necessity of placing our currency on a permanent basis—either of specie or legal-tenders, which stand as the substitute for specie—were properly appreciated, there would be no difficulty in providing for the proper reduction of the volume of legal-tenders so as to leave room for a very moderate increase of national currency, and yet secure a net reduction in the whole volume of the currency.

The well-known views of the Secretary of the Treasury on this subject, based upon the soundest principles of financial policy, only need to be seconded and carried out by Congress in order to make the plan suggested entirely safe and feasible.

Bearing in mind the regular monthly reduction of legal-tenders at the rate of four millions per month, as provided for by law, an increase of national currency not to exceed twenty five millions, to be issued at the rate of one or two millions per month, would probably meet all the wants of all the States for two years to come. As this seems to be the only practicable method for the accomplishment of what is generally admitted to be a desirable end, it is respectfully recommended to the favorable consideration of Congress. If, eventually, the amount of national currency thus increased appears to exceed the requirements of the country, the system of redemptions recommended will unerringly correct the evil, and ultimately bring about that equalization of national currency among the different States and Territories which cannot be effected by immediate and arbitrary measures.

AMENDMENTS.

There are many requirements and restrictions contained in the National Currency Act, a strict compliance with which is essential to the safety and success of the system. The Comptroller of the Currency is expected to see that all the provisions of the law are enforced but in a majority of instances is left without the power to compel obedience in case of persistent neglect or wilful disregard of the law on the part of the banks. To remedy this defect certain amendments are suggested:

First—An amendment to section 18 authorizing the appointment of a receiver, whenever satisfactory evidence is furnished that any association is not carrying on the proper business of banking; that any of its reports required by law have been false or fraudulent; that its funds have been wilfully misapplied by the officers or directors in violation of law, or that it has committed any act of insolvency.

Second—An amendment to section 29, extending the provisions contained therein so that the limitation to one-tenth of the capital shall apply to all liabilities for money loaned or deposited, except balances due from one national banking association to another. Large amounts are frequently placed in the hands of private bankers, ostensibly in the regular course of business, but really, in a majority of instances, because private bankers, not being restricted in their operations by law, are able to offer greater inducements for the use of money; or, as is not unfrequently the case, private bankers have secured a controlling interest in a bank to divert its funds from legitimate banking, and use them in speculation, &c. Every national bank that has failed may trace its ruin to excessive deposits with private bankers and brokers, and there is urgent necessity for such an amendment to section 29 as will prohibit this practice.

Third—An amendment to section 34 doing away with quarterly statements, and requiring monthly statements showing the condition of each bank in detail. The present monthly statements are much too vague and general to be of practical benefit, while the quarterly reports now required, coming at comparatively long intervals and upon certain specified days, enable banks to prepare for a good exhibit upon those particular days. If detailed reports were required monthly the preparation on the part of the banks to make a good showing would be almost constant, and the Comptroller of the Currency would be enabled to exercise much greater vigilance in carrying out the provisions of the law.

Provision should also be made for the collection of penalties imposed for delinquencies in making reports, and for the disposition to be made of the funds arising from such penalties when collected.

Fourth—An amendment to section 38, providing that where the capital stock of an association has become impaired by losses or otherwise, it shall be the duty of the directors to reduce the nominal capital and the circulation of the bank in such an amount as may be necessary, so as to represent the actual capital of the association, as provided in section 18 of the act, or, upon a vote of the stockholders owning two-

thirds of the capital stock of the bank, to make a *pro rata* assessment upon the stockholders for an amount sufficient to make up the loss sustained; and in case of failure to do one or the other within thirty-days after the amount of the loss is ascertained, the Comptroller of the Currency may appoint a receiver to wind up the affairs of the bank.

Fifth—An amendment to section 59, making it a penal offence for any person to have in his possession, with intent to pass or utter, any false, forged or counterfeit national bank note and requiring every national banking association to cause every counterfeit note that may be presented at its counter to be stamped with the word "counterfeit."

The forms for these amendments, and for such changes in the law as may be necessary to provide for redemption in New York city, or in the cities of New York, Boston and Philadelphia as may be deemed most expedient, and to provide for the issue of circulating notes to banks that may be organized in states unsupplied with banking facilities, are not reported; but the views expressed upon those points are submitted for such action as may be judged best adapted to secure the ends proposed.

In conclusion, I have only to state that the national banking system is now fully inaugurated and in successful operation. The first bank was organized in June, 1863. There are now in active operation sixteen hundred and forty-seven, with an aggregate paid in capital of four hundred and eighteen millions, which is owned by two hundred thousand stockholders. The system has the confidence of the people, because it furnishes a currency of uniform value in all parts of the country. It has superseded all existing state banking systems, and places the entire control of the currency of the country in the hands of the federal government. It has proved, during its three years of existence, a most important auxiliary in the financial operations of the Treasury Department.

A system that has grown into such magnitude in so brief a time, involving interests so vast and so vital to every portion of the community, demands a careful consideration and deliberate action. It may not be perfect, for it was devised by man, but it embraces all the best provisions and safeguards of the banking systems of the several states, and experience and careful study have developed but few defects.

H. R. HULBURN,

Deputy and Acting Comptroller of the Currency

HUGH McCULLOCH, Secretary of the Treasury.

FUNDED DEBT OF PHILADELPHIA.

The following is an official exhibit of the funded debt of the city of Philadelphia and assets, November 1, 1866:

To amount of city loans outstanding Nov. 1, 1866.....	\$35,861,730 24
To amount authorized but not issued for special purposes, viz.: school, water, gas, &c.....	2,277,500 00
Total.....	\$38,139,230 24
By cash in hands of Sinking Fund Commissioners.....	\$300,000 00
By city loans.....	2,736,137 45
By other securities, valued at.....	18,561,345 00
By outstanding taxes collectable.....	800,000 00
Balance.....	15,142,744 40
Total.....	\$38,234,300 24

ASSETS OF THE CITY OF PHILADELPHIA FOR THE YEAR 1866.

Cash on hand Nov. 1, 1866.....	\$538,448 45
Estimated receipts of registered taxes in 1867.....	400,000 00
Estimated receipts from sources other than taxes prior to January, 1867, and for the year 1867.....	1,037,670 00
Estimated receipts from taxes and registered taxes prior to January, 1867.....	400,000 00
Estimated receipts from Trustees of Gas works for 1867.....	125,000 00
Total.....	\$2,501,118 45
Amount required to be provided from taxes or by loan.....	\$7,004,381 85
By funding \$1,500,000, leaves to be provided from taxation.....	\$5,504,381 85

PUBLIC DEBT OF THE UNITED STATES.

Abstract statement, as appears from the books and Treasurer's returns in the Treasury Department, on the 1st of October, 1st of November and the 1st of December, 1866, comparatively :

DEBT BEARING COIN INTEREST.			
	Oct. 1.	Nov. 1.	Dec. 1.
5 per cent. bonds.....	\$198,091,350	\$198,091,350	\$198,091,350
" " of 1867 and 1868.....	18,828,592	16,033,742	15,837,947
" " of 1881	283,738,750	283,739,750	283,740,000
" " 5.20's	798,162,250	823,944,000	861,648,800
Navy Pension Fund	11,750,000	11,750,000	11,750,000
	\$1,310,065,94	\$1,333,558,842	\$1,371,068,592

DEBT BEARING CURRENCY INTEREST.			
6 per cent. bonds.....	\$9,922,000	\$9,882,000	\$10,302,000
Temporary Loan.....	22,500,000		
3-year Compound Interest Notes.....	155,512,140	148,512,140	147,887,140
3-year 7.30 notes.....	743,996,050	724,014,300	699,933,750
	\$930,930,190	\$882,406,440	\$857,622,890

DEBT ON WHICH INTEREST HAS CEASED.			
Various bonds and notes.....	\$23,302,372	\$26,988,909	\$22,605,791

DEBT BEARING NO INTEREST.			
United States Notes.....	\$399,165,292	\$390,195,785	\$385,441,819
Fractional currency.....	27,029,273	27,588,010	23,620,249
Gold certificates of deposit.....	11,057,640	1,806,980	19,636,500
	\$437,252,205	\$428,680,775	\$428,698,568

Aggregate debt.....	\$2,701,550,709	\$2,681,636,966	\$2,684,995,875
Coin and Currency in Treasury.....	128,213,767	130,326,960	135,364,637
Debt, less coin and currency.....	\$2,573,336,941	\$2,551,310,000	\$2,549,631,238

The following statement shows the amount of coin and currency separately at the dates in the foregoing table :

	Oct. 1.	Nov. 1.	Dec. 1.
Gold Coin.....	\$86,250,909	\$90,413,018	\$95,168,816
Currency.....	41,953,858	30,913,942	40,195,821
Total gold coin and currency.....	\$128,213,767	\$130,326,960	\$135,364,637

COMMERCIAL CHRONICLE AND REVIEW.

State of the Markets—Merchandise Market Dull—Decline in Prices—Stock Exchange—Monetary Affairs—Course of United States Bonds and Consols—Course of Gold and Exchange—Railroad Earnings, etc.

November has been chiefly remarkable for an unsettled condition of the markets, the result of a combination of circumstances.

In the merchandise markets a dullness has prevailed, not to be adequately accounted for from the natural falling off in business which usually occurs in November. In most branches of business stocks are found to be larger at this late period of the Fall business than was anticipated ; and as it is not deemed safe to carry over goods at the current high prices, there has been an effort to realize upon both domestic and foreign merchandise at a heavy sacrifice. The serious losses upon some kinds of goods have brought home to manufacturers the conviction that the current rate of production can not be sustained concurrently with the existing high range of prices ; and there has, consequently, been developed a very general disposition to curtail production. The cotton mills are

producing much less, and the woolen manufacturers have very generally resolved upon either closing their mills entirely for a few weeks, or reducing the time of working to about eight hours per day. The development of this policy has produced at the close of the month a somewhat improved tone in the goods markets, but in nearly every branch of the jobbing trade the disposition, notwithstanding, is to realise upon goods, and to close the year with the smallest possible stocks. It appears to be very generally understood among both manufacturers and merchants, as well as by the consuming public, that we have now passed the climax of high prices, and that henceforth there must be a persistent fall in the value of all products. This idea, of course, produces special caution in the matter of credits, and has a depressing effect upon every branch of business; but its tendency is nevertheless to avert any severe convulsions in the markets from a sudden and extreme fall in values. The following comparison shows the prices of certain leading products at the close of October and of November:

		Oct. 31.	Nov. 30.
Four, shipping.....	bbl.	12 25 @13 00	10 30 @11 40
Wheat, Amber State.....	bush.	2 75 @ 3 25	2 70 @ 3 00
" Mix'd Western.....	"	1 30 @ 1 33	1 20 @ 1 27
Pork, Prime Mess.....	bbl.	32 25 @35 00	21 00 @21 50
Beef, ".....	"	13 50 @18 50	12 00 @18 00
Tallow, American.....	lb..	00 12 @ 00 12½	00 11½ @00 12
Lard, Western.....	"	00 13½ @00 15½	00 12 @00 14
Coal, Anth.....	ton.	8 50 @ 9 50	7 50 @ 9 00
Cotton, Mid. Upland.....	'b..	00 39 @—	00 33½ @—
Brown sheetings.....	yard.	00 23 @—	00 21 @—
Printing cloths, 61x64.....	"	00 13½ @—	00 12½ @—
Petroleum.....	gall.	00 22 @—	00 21 @—
Wool, Savony fleeces.....	lb..	00 52 @00 67	00 50 @00 65

Monetary affairs have been unsettled almost to the verge of panic. A very unusual activity in stocks has called for an enlarged amount of accommodation from the banks; while, at the same time, there has been a steady loss of legal tenders, the reduction from Oct. 27 being \$16,705,671; and under these circumstances the rate of interest on demand loans steadily advanced from 4 per cent. to 7 per cent. This tendency toward stringency was, however, violently stimulated by the Treasury calling in a large amount of funds from the bank depositories, and at the same time selling gold, resulting in the withdrawal of about \$15,000,000 of currency into the Treasury. This process produced a general derangement of loans, and compelled a realizing upon securities, with a consequent fall of 8 @ 10 per cent in values on the Stock Exchange. Very heavy losses were entailed upon speculative dealers in stocks, who proved to be not the brokers but their customers; and the month closes with a general weakness in railroad and miscellaneous securities. The aggregate transactions of the two last months compare as follows:

	October.	November.
Shares, sold at Regular Board.....	1,421,880	1,221,316
" " at Open Board.....	1,652,226	1,497,808
Total sold at both boards.....	3,074,106	2,718,623
Government Bonds sold.....	\$10,232,300	\$8,537,680
" Notes.....	2,713,250	2,973,530
State and City Bonds.....	2,792,300	2,576,400
Railroad and other Bonds sold.....	1,234,700	1,355,600
Total Bonds and Notes sold....	\$17,012,550	\$15,353,100

The following are the closing quotations of the leading stocks on Friday of the last seven weeks:

	Oct. 19.	Oct. 26.	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.	Nov. 30.
Cumberland Coal.....	58½	61	67½	69½	....	66	....
Quicksilver	55½	56	55½	53½	51	46	44½
Anton Co. ....	....	53	55½	57	54½	45½	....
Mariposa pref.	29½	31½	31	29½	28½	24½	27
New York Central.....	119½	120	119½	118½	111½	109½	113
Erie	83½	84	85½	85	78	72½	71½
Hudson River .....	....	125	125½	....	123½	122	....
Reading	115½	115½	117	117	113½	112½	111½
Michigan Southern ..	90½	92½	98½	91½	85½	84½	81½
Michigan Central.....	....	....	116½	115	118	111	112½
Cleveland and Pittsburg.	91½	93½	91	90½	87½	83½	85
Cleveland and Toledo...	120	120	120½	119½	114	112	113½
Northwestern	51½	57½	58½	57½	52	41½	45
" preferred..	76	80½	80½	79½	74½	70½	78
Rock Island	108½	109½	111½	110½	106½	102½	104½
Fort Wayne	109½	109½	111½	109½	106½	103	105½
Illinois Central.....	127	125½	126½	124½	123	119	119

The following are the rates of loans and discounts during the month :

RATES OF LOANS AND DISCOUNTS.

	Nov. 2.	Nov. 9.	Nov. 16.	Nov. 23.	Nov. 30.
Call loans.....	4 @ 5	4½ @ -	5 @ 6	7 @ -	5 @ 7
Loans on Bonds and Mortgage...	6 @ 7	6 @ 7	6 @ 7	6 @ 7	6 @ 7
A 1. endorsed bills, 2 mos.	3½ @ -	3½ @ 5	6 @ -	7 @ -	6 @ -
Good endorsed bills, 3 & 4 mos.	5½ @ 6½	4 @ -	6½ @ -	7 @ 7½	6½ @ 7½
" " single names.	- @ 7	4½ @ 5	- @ 7	7 @ 8	7 @ 8
Lower grades.	9 @ 12	9 @ 12	9 @ 12	8 @ 10	8 @ 10.

The price of Government securities has fluctuated in sympathy with the change in the premium on gold ; with every fall in price, however, there has been an active demand from the interior, which has induced a prompt recovery. The price of Five-twenties at London has advanced from 68½, at the opening of the month, to 7½ notwithstanding that free shipments of bonds have been made from this side. The following table shows the daily prices of consols and American securities at London on each day of the month :

COURSE OF CONSOLS AND AMERICAN SECURITIES AT LONDON - NOVEMBER, 1866.

Date.	Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie sh's.	Date.	Cons for mon.	Am. securities U. S. 5-20s	Ill. C. sh's.	Erie sh's.
Thursday	1	Holiday.			Sunday.....	18	....	....	....
Friday	2	89½	68½	77½	Monday.....	19	90½	70½	78½
Saturday.....	3	89½	68½	77½	Tuesday.....	20	90½	70½	78½
Sunday.....	4	....	....	....	Wednesday....	21	90½	70½	78½
Monday.....	5	89½	68½	77	Thursday.....	22	90	70½	78½
Tuesday.....	6	89½	68½	76½	Friday.....	23	90	70½	78½
Wednesday....	7	89½	68½	77	Saturday.....	24	90	70½	78
Thursday.....	8	89½	69	77	Sunday.....	25	....	....	....
Friday.....	9	89½	69	77	Monday.....	26	89½	70½	77½
Saturday.....	10	89½	69	77	Tuesday.....	27	89½	70½	78
Sunday.....	11	....	....	....	Wednesday....	28	89½	70½	76½
Monday.....	12	89½	69½	77½	Thursday.....	29	(1½ an e giving g.)		
Tuesday.....	13	89½	69½	78	Friday.....	30	89½	70	76½
Wednesday....	14	90	70	78					
Thursday.....	15	90	70½	78	Highest.....		90½	70½	78½
Friday.....	16	90½	70	77½	Lowest.....		89½	68½	76½
Saturday.....	17	90½	70½	77½	Range.....		1	2½	2½

The prices of Government securities at New York on each day of the month have been as follows :

PRICES OF GOVERNMENT SECURITIES, NOVEMBER, 1866.

Day of month.	6's, 1881.- Coup.	Reg.	6's, 5-20 yrs.- Coup.	Reg.	5's, 10-40 yrs.- Coup.	Reg.	7-30's. 1867
Thursday 1.....	....	....	110½	....	100½	....	107
Friday 2.....	114½	....	110½	....	100½	....	107½
Saturday 3.....	114½	....	110½	....	....	100½	107½
Sunday 4.....	....	....	....	....	....	....	....
Monday 5.....	114½	114½	110½	107½	100½	....	107½
Tuesday 6.....	114½	....	110½	107½	100½	100½	108½

Wednesday	7	114%	114%	110%	108	100%	100%	7
Thursday	8	114%	114%	110%	108	100%	100%	7
Friday	9	114%	114%	110%	108	100%	100%	7
Saturday	10	114%	114%	110%	108	100%	100%	7
Sunday	11	114%	114%	110%	108	100%	100%	7
Monday	12	114%	114%	110%	108	100%	100%	7
Tuesday	13	114%	114%	110%	108	100%	100%	7
Wednesday	14	114%	114%	110%	108	100%	100%	7
Thursday	15	114%	114%	110%	108	100%	100%	7
Friday	16	113%	113%	109%	107	100%	100%	7
Saturday	17	113%	113%	108%	106%	100%	100%	7
Sunday	18	113%	113%	108%	106%	100%	100%	7
Monday	19	112%	112%	108%	106%	100%	100%	7
Tuesday	20	112%	112%	108%	106%	100%	100%	7
Wednesday	21	112%	112%	108%	106%	100%	100%	7
Thursday	22	112%	112%	107%	106%	100%	100%	7
Friday	23	112%	112%	108%	106%	100%	100%	7
Saturday	24	112%	112%	108%	106%	100%	100%	7
Sunday	25	112%	112%	108%	106%	100%	100%	7
Monday	26	112%	112%	108%	106%	100%	100%	7
Tuesday	27	112%	112%	108%	106%	100%	100%	7
Wednesday	28	113	112%	108%	106%	100	100	7
Thursday	29	(National Thanksgiving Day. No business.)						
Friday	30	113	112%	108%	106%	100	100	7
Opening		115%	114%	110%	107%	100%	100%	7
Highest		114%	114%	110%	108	100%	100%	7
Lowest		112	112	107%	106	100%	100%	7
Closing		113	112%	108%	106%	100	100	7

The following shows the range of daily closing prices for government securities, monthly and for the first eleven months of the current year:

		6s 1881		6s (3-20s)		5s (10-4 s)		7s & 4s
		Coup.	Reg.	Coup.	Reg.	Coup.	Reg.	1-57
January ...	Highest	104%	104%	105	102%	98%	93%	93%
	Lowest	103%	103%	101%	101%	92%	93	93%
February...	Highest	104%	104%	103%	103%	94%	91%	94%
	Lowest	103%	103%	102%	102%	93%	91%	94%
March	Highest	105%	105	104%	104	92%	91	101%
	Lowest	104%	104%	103	103	90	90%	91%
April	Highest	108%	108%	106%	102%	96%	96%	107%
	Lowest	104%	104%	103	100%	91%	91%	104%
May	Highest	109%	109%	102%	103%	96%	96%	107%
	Lowest	108	108	100%	101%	94%	94%	101%
June...	Highest	110%	107	104%	104%	97%	96%	107%
	Lowest	109%	105%	102	102%	96%	96%	107%
July	Highest	110	109%	108%	106%	99	98%	104%
	Lowest	106%	108%	104%	103	97%	97%	104%
August .	Highest	113%	112	113%	109	103%	95%	107%
	Lowest	109%	108%	108%	105%	99	95%	104%
September.	Highest	111	112	112%	108%	99%	99	107%
	Lowest	111	111	111%	108	97%	99%	106%
October...	Highest	113%	113%	111%	106%	100%	100%	107
	Lowest	111%	111%	111%	105%	99%	99%	106
November..	Highest	111%	114%	110%	108	100%	100%	104%
	Lowest	112	112	107%	106	99%	100%	105%
11 months..	January 3.....	104%	104%	105	102%	93%	93%	93%
	Highest	114%	114%	113%	109	100%	100%	104%
	Lowest	103%	103%	101%	101%	90	90%	93%
Latest		113	112%	107%	106%	100	100	105%

The quotations for Three years Compound Interest Notes on each Friday of the month have been as follows:

Issue of—	Nov. 1.	Nov. 8.	Nov. 15.	Nov. 22.	Nov. 29.
Jan., 1864.....	116% @ 117%	116% @ 117	116% @ 116%	115 @ 114%	116 @ 114%
July, 1864.....	116% @ 116%	116% @ 116%	116 @ 116%	114% @ 114%	115% @ 114%
Aug. 1864.....	115% @ 116%	115 @ 116	115% @ 115%	114 @ 114%	115 @ 114%
Oct. 1864.....	114% @ 115%	114% @ 115	114% @ 114%	113 @ 113%	114 @ 114%
Dec. 1864.....	113% @ 114%	113% @ 114	113% @ 113%	112 @ 112%	113 @ 112%
May, 1865.....	112% @ 113%	112% @ 112%	112 @ 112%	111 @ 111%	111% @ 111%
Aug., 1865.....	110% @ 111	110% @ 111	110% @ 110%	110 @ 110%	110% @ 110%
Sept., 1865.....	110% @ 110%	110% @ 110%	110 @ 110%	109% @ 109%	109% @ 109%
Oct., 1865.....	110 @ 110%	109% @ 110	109% @ 109%	109 @ 109%	109% @ 109%

* Wednesday, Thursday being Thanksgiving.

Gold has steadily fallen in price since the opening of the month, the highest

price having been 148½ and the lowest 137½. The decline appears to be chiefly attributable to the payment of the November coupons, according to about \$24,000,000, together with the export movement having been much more limited than was anticipated. The Treasury has sold about \$3,500,000 during the month, making a total supply from that source of about \$27,500,000. This very large addition to the supply has placed gold beyond the control of speculative cliques, and the premium is consequently left to take its natural bent. During the present week the premium showed considerable firmness under rumors of complications with France upon the Mexican question, but the effect was only temporary:

COURSE OF GOLD FOR NOVEMBER.

MOVEMENT OF TREASURE AT NEW YORK.

Months, &c.	New Supply.			Exports to for. ports.	Excess of—	
	California.	Foreign.	Total.		Supply.	Export.
January.....	\$1,485,814	\$72,771	\$1,558,585	\$2,706,226	\$.....	\$1,148,240
February.....	3,603,000	179,123	3,772,123	1,807,080	1,965,092	.....
March.....	3,958,201	285,854	4,244,055	1,045,039	3,199,106	.....
April.....	1,532,221	161,817	1,701,138	588,975	1,112,263	.....
May.....	3,992,148	393,078	4,385,226	23,744,194	.....	19,358,973
June.....	1,842,271	94,549	1,936,820	15,800,255	.....	13,864,135
July.....	6,754,659	345,951	7,100,610	5,221,459	1,879,151	.....
August.....	4,477,659	259,221	4,736,880	1,537,351	3,199,529	.....
September.....	2,584,422	5,192,473	8,077,905	834,550	7,243,355	.....
October.....	4,002,207	1,434,158	5,436,365	1,453,450	4,072,915	.....
November.....	1,652,391	1,795,818	3,448,209	3,492,422	.....	1,044,212
Jan.-Nov. '65.....	\$27,108,704	\$2,218,617	\$29,327,321	\$2.....	\$.....	\$12,654,841
do do '65.....	18,185,503	2,009,927	20,195,430	2.....	.....	7,066,092
do do '64.....	10,702,194	2,150,806	12,853,000	4.....	.....	31,847,075
do do '63.....	11,849,622	1,469,313	13,318,935	4.....	.....	31,736,053
do do '62.....	23,644,160	1,311,951	24,956,111	5.....	.....	30,877,789
do do '61.....	31,811,550	35,729,883	67,541,433	57.....	65,186,906	.....
do do '60.....	30,449,420	2,978,222	33,427,642	4.....	70.....	6,861,051
do do '59.....	33,315,657	2,531,737	35,847,394	6.....	57.....	23,706,626

The Treasure Movement at New York weekly, and the amount in Banks at the close of each week since January 1, has been as follows:

TREASURE MOVEMENT FOR 1865.

1865. week ending	Receipts from California.	Exports to foreign countries.	Sub-Treasury		Gold Certificates		In banks at close of week.
			Customs receipts.	Interest payments.	Issued.	Returned.	
Jan. 6.....	\$552,097	\$2,107,341	\$2,597,240	\$3,122,440	\$1,34,8832	\$15,773,741	
" 13.....	552,610	640,503	2,334,894	1,130,739	2,206,180	1,578,194	16,852,569
" 20.....	799,706	653,894	2,754,350	574,152	2,706,406	1,923,641	16,365,899
" 27.....	.....	656,812	2,226,040	279,642	2,598,400	2,137,048	13,106,759
Feb. 3.....	944,873	292,568	3,247,422	115,304	2,081,220	2,221,423	10,937,474
" 10.....	1,449,974	453,499	2,351,734	120,179	1,916,700	2,375,735	10,129,906

" 17.....		445,489	2,893,008	94,828	2,992,900	2,158,008	10,378 71
" 24.	1,209,048	560,193	2,608,794	119,879	5,893,280	1,995,796	14,213 12
Mar. 3.....		75,453	3,386,934	1,183,343	2,125,000	2,664,934	17,113 39
" 10.	1,469,286	556,284	2,297,836	882,712	2,101,000	1,716,835	16,517 57
" 17.....	1,425,353	236,671	2,464,462	328,593	1,498,400	1,919,483	15,113 14
" 24.....	889,837	170,297	2,509,419	174,911	361,280	1,885,419	13,447 81
" 31.....	673,615	3,500	2,451,845	225,414	1,376,000	1,895,334	12,947 71
Apr. 7.....		216,842	2,563,010	63,140	3,016,840	2,130,100	11,417 31
" 14.....	729,862	122,628	2,857,704	49,800	5,038,460	2,274,704	11,635 12
" 21.....	809,459	117,312	2,535,568	35,169	4,207,100	1,971,568	9,437 40
" 28.....		73,880	2,246,207	40,506	4,137,140	1,760,307	8,217 17
May 5.....	1,318,271	1,247,249	2,711,181	7,061,960	4,653,000	2,227,151	16,517 57
" 12.....	1,072,820	1,064,196	2,417,391	2,648,000	3,110,000	1,943,391	12,717 44
" 19.....		8,763,295	2,542,814	1,702,000	2,842,000	2,069,814	13,519 42
" 26.....	1,276,505	9,421,766	2,358,455	940,100	9,177,000	1,929,454	19,272 29
June 2.....	324,562	6,870,997	2,182,895	70,500	1,827,000	1,911,395	22,152 42
" 9.....	949,906	4,220,756	2,141,086	283,800	2,626,000	1,863,087	15,327 42
" 16.....		6,055,743	2,071,621	67,000	3,719,000	1,738,621	12,217 36
" 23.....	892,365	1,408,286	2,209,676	106,134	2,593,000	1,809,676	8,504 74
" 30.....		550,574	2,002,265	298,748	3,232,000	2,309,261	7,771 11
July 7.....	1,617,899	1,630,730	2,471,626	3,964,634	4,174,000	2,031,636	9,232 36
" 14.....	1,429,838	2,239,270	2,486,296	1,267,600	3,614,400	2,182,226	12,012 46
" 21.....	2,051,456	416,013	2,480,149	324,100	2,452,000	2,197,149	10,417 17
" 28.....		1,515,446	2,926,884	277,044	2,120,000	2,541,884	9,717 27
Aug. 4.....	1,655,431	530,174	2,794,658	1,55,500	1,829,000	2,410,651	9,447 43
" 11.....		152,375	2,676,332	61,400	970,000	2,398,331	8,412 12
" 18.....		117,990	2,461,877	50,300	2,064,000	2,145,876	7,565 31
" 25.....	3,091,601	787,312	3,069,893	61,937	2,188,000	2,545,893	6,821 75
Sep. 1.....		303,912	3,199,168	241,000	2,215,000	2,853,168	6,231 47
" 8.....		157,062	3,222,266	1,935,108	3,005,000	2,762,265	7,435 71
" 15.....	1,669,959	197,234	3,105,457	262,000	1,494,000	2,807,457	7,357 30
" 22.....	1,215,078	112,500	2,399,200	95,400	3,973,000	2,148,270	7,822 61
" 29.....		38,240	2,876,777	281,706	1,701,000	2,150,717	7,641 91
Oct. 6.....	1,109,537	224,385	2,266,334	270,000	2,382,000	1,924,334	6,232 00
" 13.....	1,135,093	198,050	2,546,361	198,050	2,362,000	2,175,361	5,576 08
" 20.....	1,428,705	66,202	2,629,828	66,202	1,692,000	2,361,829	7,371 42
" 27.....		523,198	2,460,856	458,198	2,877,140	2,223,856	7,543 37
Nov. 3.....	1,228,369	947,441	2,262,774	8,285,000	7,228,000	2,064,774	2,156 69
" 10.....	653,776	1,037,850	2,055,292	8,712,000	4,170,000	1,651,292	12,143 31
" 17.....		526,885	1,964,529	1,043,000	2,094,000	1,721,531	15,311 12
" 24.....	1,113,615	781,865	1,621,704	1,080,300	2,280,000	1,450,705	15,312 57

The course of Foreign Exchange has varied materially from the general anticipation. It was taken for granted that the remittances on account of coupons forwarded from Europe for collection and the payments of importers would call for a very large supply of bills, causing rates to advance beyond the specie shipping point. Although there has been a light supply of New York bills and of Southern cotton bills, yet this expectation has not been realized, the rates having but for one or two days ruled at figures admitting of specie remittances. Quotations, however, have at periods been high enough to allow of moderate shipments of bullion:

COURSE OF FOREIGN EXCHANGE FOR NOVEMBER, 1866.

Days.	London. cents for 54 pence.	Paris. centimes for dollar.	Amsterdam. cents for florin.	Bremen. cents for rix daler.	Hamburg. cents for M. banco.	Berlin. cents for thaler.
1.....	109½ @ 109½	516½ @ 513½	41½ @ 41½	79½ @ 79½	36 @ 36½	72½ @ 73
2.....	109½ @ 109½	516½ @ 515	41 @ 41½	79½ @ 79½	36½ @ 36½	72½ @ 73
3.....	109½ @ 109½	517½ @ 515	40½ @ 41½	79½ @ 79½	36 @ 36½	72½ @ 73½
4.....						
5.....	109½ @ 109½	516½ @ 511½	41 @ 41½	79½ @ 79½	36½ @ 37	72½ @ 73
6.....	109½ @ 109½	516½ @ 513½	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
7.....	109½ @ 109½	516½ @ 515½	41½ @ 41½	79½ @ 79½	36½ @ 36½	72½ @ 73½
8.....	109½ @ 109½	516½ @ 515½	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
9.....	109 @ 109½	516½ @ 515	41 @ 41½	79½ @ 79½	36½ @ 36½	72½ @ 73½
10.....	109 @ 109½	518½ @ 515	40½ @ 41	78½ @ 79½	36½ @ 36½	72 @ 73½
11.....						
12.....	109 @ 109½	517½ @ 515	41 @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
13.....	109 @ 109½	516½ @ 515	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
14.....	109 @ 109½	518½ @ 515	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
15.....	109 @ 109½	516½ @ 515	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
16.....	109 @ 109½	516½ @ 515	41½ @ 41½	79 @ 79½	36½ @ 36½	72½ @ 73½
17.....	108½ @ 109	522½ @ 517½	40½ @ 41½	78½ @ 78½	26½ @ 36½	71½ @ 73½
18.....						
19.....	108½ @ 109	522½ @ 517½	40½ @ 41½	78½ @ 78½	36½ @ 36½	71½ @ 73½
20.....	109½ @ 109½	517½ @ 516½	40½ @ 41½	78½ @ 78½	36½ @ 36½	71½ @ 73½

21	108½@109	529½@516½	40½@41½	78½@78½	86½@86½	71½@72½
22	108½@109	518½@517½	41 @41½	78½@79	86½@86½	72 @72½
23	109½@108½	516½@515	41½@41½	79 @79½	86½@86½	72½@73½
24	109 @109½	521½@516½	41 @41½	78½@79	86½@86½	71½@72½
25						
26	109½@109½	516½@515	41½@41½	79 @79½	86½@86½	72 @72½
27	109½@109½	517½@518½	41½@41½	79 @79½	86½@86½	72½@73½
28	109½@109½	517½@518½	41 @41½	78½@79½	86½@86½	72 @72½
29		National Thanksgiving Day. No business				
30	109½@109½	516½@518½	41½@41½	79 @79½	86½@86½	72 @72½
Nov.	108½@109½	515½@511½	40½@41½	78	86 @37	71½@72
Oct.	106½@109½	535 @513½	39½@41½	76	85 @37	70 @72½
Sep.	105½@108½	545 @518½	39 @41½	75	85 @36½	68 @72
Aug.	105½@108½	545 @517½	39 @41	75	84½@37	68 @72
July	107½@108½	525 @507½	40 @42	77	86 @37½	72 @75½
June	107½@110	505 @507½	40 @42½	77	85½@37½	73 @76
May	108½@109½	520 @510	40½@42½	76	86 @37½	74 @74
Apr.	106½@108½	537½@517½	39½@41	76	85 @36½	69½@71½
Mar.	106½@108½	530 @518½	40 @41	77	85½@36½	70½@71½
Feb.	107½@108½	532½@517½	40½@41	77	86½@36½	70½@71½
Jan.	108 @109½	528½@515	40½@41	78	86 @36½	71 @71½
11 m	105½@110	545 @507½	39 @42½	76 @80½	84½@37½	68 @75½

The gross earnings of the undermentioned railroads for the month of October, 1865 and 1866, comparatively, and the difference (increase or decrease) between the two years are exhibited in the following statement :

Railroads.	1865.	1866.	Difference
Atlantic and Great Western.....	\$587,121	\$541,491	Dec. \$45,630
Chicago and Alton	357,958	347,085	Dec. 10,873
Chicago and Great Eastern	118,992	126,997	Inc. 8,005
Chicago and Northwestern	923,896	1,210,654	Inc. 286,758
Chicago, Rock Island & Pacific.....	364,265	422,124	Inc. 57,859
Erie (including Buffalo Division).....	1,580,317	1,430,261	Dec. 150,056
Illinois Central	641,569	689,195	Dec. 47,626
Marionetta and Cincinnati	118,495	111,444	Dec. 7,051
Michigan Central	490,693	493,640	Inc. 2,947
Michigan Southern	594,760	500,404	Dec. 94,356
Milwaukee and Prairie du Chien.....	310,594	256,133	Dec. 54,461
Milwaukee and St. Paul.....	393,679	416,188	Inc. 22,509
Ohio and Mississippi	272,618	310,762	Inc. 38,144
Pittsburg, Fort Wayne & Chic.	668,501	741,908	Dec. 73,407
Toledo, Wabash and Western.....	375,534	436,085	Inc. 60,551
Western Union	92,724	100,308	Inc. 7,584
Total (16 roads)	\$8,108,628	\$8,231,844	Inc. \$123,216

The earnings of the same roads for the first ten months of the same years are shown in the following table :

Railroads.	1865.	1866.	Difference
Atlantic and Great Western.....	\$1,385,704	\$4,583,528	Inc. \$3,197,824
Chicago and Alton	3,295,348	3,069,631	Dec. 225,717
Chicago and Great Eastern	891,346	1,047,841	Inc. 156,495
Chicago and Northwestern	6,665,181	7,366,635	Inc. 701,454
Chicago, Rock Is. and Pacific	2,900,404	2,786,272	Dec. 114,132
Erie (including Buffalo Division).....	13,338,454	12,124,908	Dec. 1,213,546
Illinois Central	6,020,233	5,829,710	Dec. 190,523
Marionetta and Cincinnati	964,211	1,002,919	Inc. 38,708
Michigan Central	3,728,009	3,436,797	Dec. 291,212
Michigan Southern	3,979,651	3,887,275	Dec. 92,376
Milwaukee and Prairie du Chien.....	1,648,968	1,640,691	Dec. 8,277
Milwaukee and St. Paul	2,017,169	2,077,944	Inc. 60,775
Ohio and Mississippi	3,096,133	2,796,544	Dec. 299,589
Pittsburg, Ft. Wayne & Chicago	7,188,787	6,381,179	Dec. 807,608
Toledo, Wabash and Western	2,318,045	3,075,404	Inc. 757,359
Western Union	589,793	694,320	Inc. 104,527
Total (16 roads).....	\$63,025,565	\$61,240,673	Dec \$1,784,892

The aggregate earnings of these sixteen railroads in October, as compared with those of the previous month, show the following result :

	1865.	1866.	Difference.
October	\$8,108,628	\$8,231,844	Inc. \$123,216
September	7,702,949	7,062,439	Dec. 640,510
Increase in October.....	\$345,674	\$1,221,356	Inc. \$875,682
do do per cent.....	4.45	17.29	

These results are exceedingly favorable. They show that October has been the best month of the current year, the aggregate earnings having increased over the earnings of September 17.29 per cent., and over those of October, 1865, 2.17 per cent. The net aggregate result of the ten months shows a falling off from last year to the amount of \$1,784,892, or 2.82 per cent. The principal losing roads so far, have been the Erie, the Illinois Central, and the Pittsburg, Fort Wayne and Chicago.

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Returns of the New York, Philadelphia, and Boston Banks—National Banks.

Below we give the returns of the Banks of the three cities for the past month :

NEW YORK CITY BANK RETURNS.

Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$185,482,254	\$71,617,487	\$570,617,239
" 13.....	231,933,193	16,852,568	19,162,917	197,766,999	73,019,957	606,022,587
" 20.....	239,837,726	15,265,327	20,475,707	196,816,248	72,799,892	535,949,311
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,323,673
Feb. 3.....	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	508,569,128
" 10.....	242,608,872	10,129,806	22,240,469	188,701,463	68,436,013	493,431,622
" 17.....	243,068,252	10,308,758	22,933,274	189,777,290	64,802,980	471,836,731
" 24.....	239,776,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3.....	235,839,412	17,181,180	22,994,086	181,444,378	58,760,145	526,529,989
" 10.....	233,068,274	16,563,237	23,033,237	180,515,881	64,341,802	594,204,523
" 17.....	233,517,378	15,015,242	23,303,057	185,438,707	68,402,764	579,216,599
" 24.....	234,500,518	12,945,651	23,243,406	185,868,245	69,496,033	593,445,664
" 31.....	237,316,099	11,980,392	23,736,534	188,554,592	72,158,090	529,240,640
Apr. 7.....	242,643,753	11,486,295	24,127,061	189,094,961	71,445,015	602,315,740
" 14.....	244,009,339	11,035,129	24,533,981	193,153,469	73,910,370	572,557,380
" 21.....	242,067,063	9,495,463	24,045,857	196,808,573	77,612,088	535,834,723
" 28.....	245,017,692	8,243,937	25,877,280	202,718,574	80,569,023	545,339,685
May 5.....	243,974,184	10,914,997	25,416,677	210,378,303	81,244,447	603,556,177
" 12.....	237,621,317	18,970,403	24,693,259	217,552,853	85,040,659	522,093,538
" 19.....	255,690,463	13,595,465	25,169,864	217,427,729	85,710,107	572,342,480
" 26.....	257,969,598	19,736,929	26,223,867	208,977,905	73,829,947	713,575,444
June 2.....	250,959,022	21,853,093	26,244,255	198,127,289	69,188,192	713,575,444
" 9.....	249,633,939	15,821,663	25,967,253	202,503,949	74,623,674	632,656,261
" 16.....	247,301,547	11,217,305	25,887,876	202,415,673	79,179,304	613,698,301
" 23.....	243,436,808	8,504,086	26,585,394	201,969,288	80,840,578	696,447,689
" 30.....	250,884,168	7,797,213	26,706,623	204,857,272	81,882,640	563,842,686
July 7.....	257,534,833	9,865,266	27,296,530	205,799,611	79,541,636	511,182,914
" 14.....	259,133,434	12,451,684	27,404,173	207,160,043	75,541,977	637,655,751
" 21.....	255,965,018	10,860,147	27,579,020	213,049,079	80,524,923	598,705,728
" 28.....	256,612,071	9,701,046	27,249,813	214,582,926	84,705,814	430,324,806
Aug. 4.....	256,803,717	9,448,900	27,811,549	214,156,705	86,235,079	523,243,514
" 11.....	253,262,063	8,424,209	27,523,522	214,232,963	86,861,634	494,816,975
" 18.....	261,951,924	7,545,513	27,706,904	214,810,576	84,801,071	554,653,945
" 25.....	265,901,065	6,884,077	27,958,464	218,119,450	86,233,483	617,968,239
Sept. 1.....	265,399,607	6,331,600	27,807,834	225,191,232	92,218,808	536,764,038
" 8.....	261,941,663	7,451,910	28,546,288	225,107,991	90,194,254	591,041,135
" 15.....	270,806,104	7,857,869	29,860,371	224,844,647	90,773,233	567,239,213
" 22.....	272,177,166	7,662,611	28,770,831	224,894,663	90,428,189	605,236,434
" 29.....	269,807,383	7,643,960	29,218,950	223,836,785	87,836,21	.....
Oct. 6.....	274,210,161	6,203,693	29,401,858	228,484,780	85,839,679	829,661,759
" 13.....	276,443,219	5,576,002	31,176,908	226,558,897	88,129,422	770,369,949
" 20.....	279,135,796	7,371,487	30,415,240	225,063,853	73,625,469	824,721,331
" 27.....	274,725,456	7,811,239	30,243,437	223,540,372	78,064,925	762,264,041
Nov. 3.....	271,790,415	9,181,623	30,466,207	234,841,685	74,991,42	761,341,453
" 10.....	275,98,288	13,145,981	30,968,940	226,825,717	71,512,495	776,604,339
" 17.....	273,86,391	15,511,121	31,233,502	221,892,509	68,120,861	842,573,239
" 24.....	267,920,415	15,202,661	31,261,418	218,414,984	62,369,254	917,426,576

The Philadelphia Banks returns for the month are as follows :

PHILADELPHIA BANK RETURNS.

Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,832	\$7,226,369	\$35,342,206
" 8.....	17,236,820	46,774,150	983,685	7,319,538	36,618,094
" 15.....	17,267,412	47,350,423	1,007,186	7,357,972	36,947,789
" 22.....	17,052,559	47,254,623	1,012,980	7,411,337	36,214,652
" 29.....	16,244,277	47,607,558	1,003,825	7,432,534	35,499,331
Feb. 8.....	16,481,005	47,233,661	1,000,659	7,668,365	34,621,126

" 10.....	16,852,737	47,249,383	996,312	7,819,599	34,464,070
" 17.....	16,777,175	46,931,337	953,207	7,843,002	33,926,542
" 24.....	17,282,602	46,865,512	1,026,406	7,792,070	33,052,252
Mar. 3.....	17,447,636	46,604,752	1,041,392	8,101,049	32,835,094
" 10.....	17,292,534	46,546,878	1,035,694	8,248,100	32,504,508
" 17.....	16,375,608	46,690,788	1,026,068	8,435,184	32,102,427
" 24.....	15,969,814	46,642,150	981,932	8,580,200	32,144,260
" 31.....	15,954,832	46,042,488	990,630	8,660,230	32,257,653
April 7.....	16,622,233	46,028,641	946,282	8,720,270	32,762,280
" 14.....	18,323,759	45,114,699	949,116	8,743,396	31,610,561
" 21.....	18,660,513	45,762,732	936,876	8,761,213	31,448,055
" 28.....	18,949,719	46,132,734	890,241	8,779,166	31,032,862
May 5.....	19,144,660	48,006,654	912,023	8,794,348	31,987,007
" 12.....	19,640,263	48,236,256	896,741	8,930,420	32,414,588
" 19.....	19,618,232	48,336,567	897,913	8,918,938	32,296,645
" 26.....	19,715,093	48,036,984	867,094	8,988,712	32,078,418
June 2.....	21,154,909	47,564,996	890,121	9,022,553	32,189,556
" 9.....	21,568,085	48,118,897	859,633	9,007,515	32,326,984
" 16.....	20,568,591	48,616,145	897,381	9,219,553	32,572,476
" 23.....	21,105,316	49,166,814	899,999	9,290,094	32,715,306
" 30.....	21,455,836	48,266,904	863,454	9,325,475	32,242,979
July 7.....	20,546,695	48,892,594	864,981	9,431,064	32,275,768
" 14.....	21,311,668	49,493,405	852,783	9,442,146	32,707,767
" 21.....	21,312,505	49,009,316	849,770	9,427,363	32,575,560
" 28.....	20,912,374	48,935,067	826,096	9,382,473	32,270,815
Aug. 4.....	20,393,826	49,682,529	825,978	9,516,724	32,244,034
" 11.....	20,060,536	49,164,321	835,158	9,543,472	32,639,226
" 18.....	19,863,685	48,530,454	811,230	9,566,783	32,942,311
" 25.....	20,411,323	48,591,763	807,071	9,575,534	32,026,288
Sept. 1.....	24,040,254	50,095,890	806,815	9,589,574	41,162,627
" 8.....	24,134,918	50,320,038	826,345	9,608,110	41,604,903
" 15.....	24,518,358	49,889,015	802,922	9,605,817	41,093,120
" 22.....	24,906,925	50,737,371	793,395	9,601,273	42,836,971
" 29.....	24,073,963	51,137,567	783,024	9,548,497	43,613,875
Oct. 6.....	24,111,480	51,242,282	799,272	9,631,563	43,800,423
" 13.....	23,377,073	51,316,490	770,676	9,639,176	43,152,028
" 20.....	23,631,130	51,474,948	791,118	9,631,498	43,245,801
" 27.....	24,140,637	50,973,784	799,652	9,648,653	43,958,737
Nov. 3.....	24,369,566	50,055,176	821,184	9,659,036	44,385,162
" 10.....	24,671,396	51,189,217	847,458	9,665,040	44,217,318
" 17.....	23,452,466	51,681,866	852,095	9,671,226	43,454,016
" 24.....	21,550,411	51,897,969	893,060	9,851,089	42,622,060

BOSTON BANK RETURNS.
(Capital Jan. 1, 1866, \$41,900,000.)

	Loans.	Specie.	Legal Tenders.	Deposits.	Circulation	
					National.	State.
January 1.....	\$91,421,477	\$301,415	\$19,307,300	\$38,451,794	\$21,497,354	\$1,404,721
" 8.....	92,245,129	1,031,327	19,914,065	41,718,132	21,806,180	1,324,798
" 15.....	92,959,364	1,029,105	20,438,014	40,939,870	21,946,595	1,273,943
" 22.....	92,665,111	1,040,114	20,750,698	40,300,619	22,034,642	1,215,675
" 29.....	92,877,733	1,003,013	20,544,830	39,153,816	21,899,318	1,157,848
February 5.....	94,578,358	805,237	20,568,125	40,436,163	22,325,418	1,125,796
" 12.....	94,083,827	682,591	20,412,589	38,768,019	22,348,638	1,057,823
" 19.....	95,250,429	508,428	20,418,909	38,494,696	22,602,531	1,083,391
" 26.....	93,539,040	521,292	20,262,177	36,398,481	22,897,971	1,048,022
March 5.....	92,990,512	556,856	20,034,968	35,581,876	22,606,825	1,006,719
" 12.....	90,705,159	623,938	19,905,120	35,297,498	22,730,329	791,609
" 19.....	91,902,811	606,992	20,470,018	26,696,821	24,018,916	910,740
" 26.....	91,931,236	513,153	20,918,521	35,887,368	23,019,887	901,620
April 2.....	92,351,979	532,556	20,761,014	36,697,227	23,087,693	869,329
" 9.....	92,142,975	487,455	20,334,570	37,426,560	23,266,612	830,069
" 16.....	91,250,882	457,648	19,902,647	37,406,696	23,035,043	777,198
" 23.....	86,120,897	411,693	19,309,145	36,946,112	22,469,488	744,041
" 30.....	86,723,001	401,113	19,549,614	38,396,210	22,856,656	744,425
May 7.....	90,369,569	576,110	21,415,716	41,205,276	23,516,330	719,688
" 14.....	90,333,554	501,013	22,462,522	42,021,976	23,551,579	695,527
" 21.....	89,634,864	472,172	22,973,509	41,611,149	23,195,968	661,619
" 28.....	91,833,402	436,391	23,658,956	41,631,746	23,722,277	644,653
June 4.....	92,287,643	503,991	26,148,678	42,992,749	23,679,015	609,371
" 11.....	89,873,993	374,966	25,470,926	42,658,986	22,916,559	480,599
" 18.....	87,568,583	371,596	24,426,749	41,092,820	21,845,977	544,941
" 25.....	94,336,170	323,335	25,019,436	42,587,020	23,633,008	507,371
July 16.....	96,047,000	453,600	21,610,000	40,407,000	24,145,000	413,000
" 23.....	95,995,866	441,669	22,786,733	40,935,853	24,057,765	401,544
" 30.....	95,002,693	363,776	22,242,659	39,770,363	23,804,526	355,864
August 6.....	96,672,749	313,779	22,432,317	40,549,379	24,116,795	380,980
" 13.....	95,771,749	295,341	21,101,461	39,192,620	24,104,197	302,734
" 20.....	94,915,075	333,670	20,317,159	38,619,347	24,290,816	368,163
" 27.....	94,819,253	323,033	21,683,693	39,028,518	24,262,817	363,405
Sept. 3.....	95,397,803	264,863	22,071,251	39,856,550	24,240,925	344,773

These results are exceedingly favorable. They show that October has been the best month of the current year, the aggregate earnings having increased over the earnings of September 17.29 per cent., and over those of October, 1865, 2.17 per cent. The net aggregate result of the ten months shows a falling off from last year to the amount of \$1.784,892, or 2.82 per cent. The principal losing roads so far, have been the Erie, the Illinois Central, and the Pittsburg, Fort Wayne and Chicago.

JOURNAL OF BANKING, CURRENCY, AND FINANCE

Returns of the New York, Philadelphia, and Boston Banks—National Banks.

Below we give the returns of the Banks of the three cities for the past month :

NEW YORK CITY BANK RETURNS.						
Date.	Loans.	Specie.	Circulation.	Deposits.	Legal Tend's.	Ag. clear'gs
Jan. 6, 1866...	\$233,185,059	\$15,778,741	\$18,588,428	\$195,482,254	\$71,617,487	\$570,617,526
" 13.....	234,934,193	16,852,568	19,162,917	197,766,999	73,019,957	608,082,887
" 20.....	239,337,726	15,265,327	20,475,707	198,816,248	72,799,892	538,949,311
" 27.....	240,407,836	13,106,759	20,965,883	195,012,454	70,319,146	516,323,673
Feb. 3.....	242,510,382	10,937,474	21,494,234	191,011,695	68,796,250	508,569,128
" 10.....	242,608,872	10,129,806	22,240,469	183,701,463	68,436,013	493,431,033
" 17.....	243,068,252	10,308,758	22,933,274	189,777,290	64,802,980	471,856,751
" 24.....	239,776,200	14,213,351	22,959,918	183,241,404	61,602,726	497,150,087
Mar. 3....	235,339,412	17,181,130	22,994,086	181,444,378	58,760,145	526,539,989
" 10.....	233,068,274	16,563,237	23,033,237	180,515,881	64,341,803	594,204,913
" 17.....	243,517,378	15,015,242	23,303,057	185,438,707	68,402,764	579,216,509
" 24.....	234,500,518	13,945,651	23,243,406	185,868,245	69,496,033	593,448,864
" 31.....	237,316,099	11,930,392	23,736,534	188,554,592	72,158,099	529,240,640
Apr. 7.....	242,643,753	11,486,295	24,127,061	189,094,961	71,445,015	602,315,743
" 14.....	244,049,339	11,035,129	24,533,981	193,153,469	73,910,370	572,537,553
" 21.....	242,067,063	9,495,463	24,045,837	196,808,573	77,612,688	535,834,773
" 28.....	245,017,692	8,243,937	25,377,280	202,718,574	80,589,022	545,339,688
May 5.....	243,974,134	10,914,997	25,415,677	210,373,303	81,214,447	603,556,177
" 12.....	257,621,317	13,970,403	24,693,259	217,552,853	85,040,659	523,093,538
" 19.....	255,690,463	13,595,465	25,169,864	217,427,729	85,710,107	579,342,483
" 26.....	257,969,593	19,736,929	26,223,867	208,977,905	73,829,947	713,575,444
June 2....	250,959,022	21,853,093	26,244,255	198,127,289	69,188,192	713,575,444
" 9.....	249,538,959	15,821,663	25,967,253	202,503,949	74,623,074	633,656,381
" 16....	247,301,547	11,217,305	25,887,876	202,415,673	79,179,304	613,698,301
" 23.....	243,436,808	8,504,096	26,585,394	201,969,388	80,840,373	696,447,639
" 30....	250,884,168	7,797,213	26,706,623	204,357,272	81,832,640	563,842,490
July 7.....	257,534,833	9,865,266	27,296,530	205,799,611	79,541,686	511,182,914
" 14.....	259,133,434	12,451,684	27,804,172	207,160,043	75,541,977	637,655,737
" 21.....	255,965,018	10,860,147	27,579,020	213,049,079	80,524,992	598,705,726
" 28.....	256,612,071	9,701,046	27,249,812	214,582,926	84,705,814	430,324,808
Aug. 4.....	256,803,717	9,443,900	27,311,549	214,156,705	86,235,079	523,226,814
" 11.....	253,262,063	8,424,209	27,523,522	214,232,263	86,861,634	494,810,975
" 18.....	261,051,924	7,545,513	27,706,904	214,310,576	84,801,071	554,655,346
" 25.....	265,901,065	6,884,077	27,958,464	218,119,450	86,283,483	617,960,350
Sept. 1.....	265,399,607	6,331,600	27,807,334	225,191,282	92,218,808	536,644,053
" 8.....	264,941,663	7,451,910	28,546,288	225,107,991	90,194,254	591,011,135
" 15.....	270,806,04	7,357,369	29,360,371	224,844,647	90,773,233	567,299,212
" 22.....	272,177,166	7,662,611	28,770,331	224,394,663	90,428,189	605,290,424
" 29.....	269,807,333	7,643,960	29,218,950	223,336,735	87,826,21	.....
Oct. 6.....	274,210,161	6,203,693	29,801,338	228,484,780	85,339,679	829,031,759
" 13.....	276,443,219	5,576,002	31,176,908	226,558,897	83,122,422	770,359,902
" 20.....	279,135,796	7,371,487	30,415,240	225,083,853	78,625,469	824,721,933
" 27.....	274,725,456	7,811,239	30,243,437	223,540,572	78,064,925	762,264,041
Nov. 3.....	271,700,415	9,181,623	30,466,207	224,841,695	74,991,42	761,334,453
" 10.....	275,93,288	13,145,881	30,968,940	226,325,317	71,512,495	776,604,339
" 17.....	273,36,391	15,511,121	31,233,502	221,892,500	68,120,361	842,575,299
" 24.....	267,920,415	15,202,561	31,361,418	218,414,984	62,359,254	917,436,876

The Philadelphia Banks returns for the month are as follows :

PHILADELPHIA BANK RETURNS.					
Date.	Legal Tenders.	Loans.	Specie.	Circulation.	Deposits.
Jan. 2, 1866.....	\$17,181,229	\$45,941,001	\$890,822	\$7,226,369	\$25,342,306
" 8.....	17,236,320	46,774,150	983,685	7,319,538	36,618,094
" 15.....	17,267,412	47,350,423	1,007,186	7,357,973	36,947,709
" 22.....	17,052,569	47,254,622	1,012,960	7,411,837	36,214,653
" 29.....	16,244,277	47,607,558	1,003,826	7,432,534	35,460,831
Feb. 3.....	16,481,005	47,233,661	1,000,639	7,668,365	34,681,135



